

FREIGHT TRAFFIC ISSUE

Reefer trailers and **piggyback**
are helping FGE win business
back from gypsy truckers . . . p. 32

April 24, 1961

RAILWAY AGE WEEKLY



REA'S ARPAIA TALKS ABOUT . . .

**What's behind REA's expansion
into global markets?**

**How the new overseas services
help U.S. shippers . . . p. 14**

We know right where your "freight" is 'cuz we keep tab!



NP "keeps tab" on your shipment with daily "Car-Tab" reports

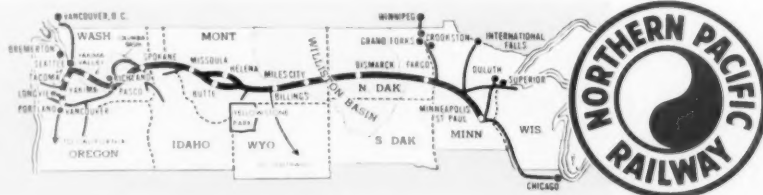
C CAR NUMBERS		D MANIFEST NUMBER OF TRAIN		E NATURE OF SHIPMENT		F DESTINATION		G LAST PASSING POINT		H DATE PASSED	
B CAR INITIALS		NORTHERN PACIFIC RAILWAY COMPANY DAILY REPORT OF WESTBOUND SHIPMENTS ST. PAUL, MINN.									
A ORIGIN OF SHIPMENT		WHEAT	WHT	15/224	WST	28	STOCKS	SEATTLE	NORTHTOWN	5	
		10000000	WHL	70007	WST	28	SOOP	TACOMA	NORTHTOWN	6	
		LOUISVILLE	CUM	01000	WST	26	110000	DELICIA	NORTHTOWN	6	
		AKRON, O.	PANA	22704	WST	14	STARS	ALCOA	NORTHTOWN	6	
		DETROIT	DET	10700	WST	27	WOTER	TRADING	NORTHTOWN	7	

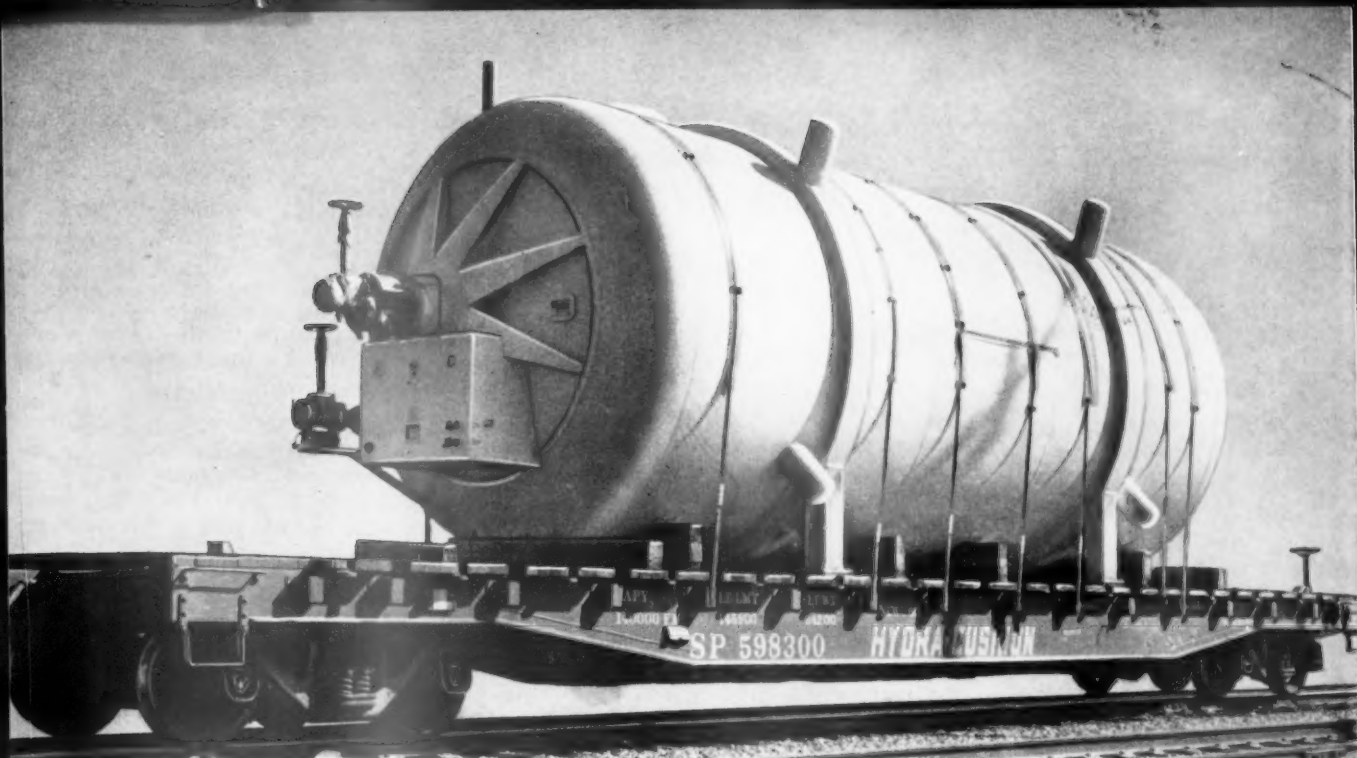
NORTHERN PACIFIC KNOWS where your shipment is while on NP rails and can tell you anytime you ask about it. It's no secret: it's "Car-Tab," the daily reports each NP office receives about each car while in our posses-

sion. That's our way of helping to keep your shipments on time all the time.

WANT TO KNOW where your freight is? Call your nearest Northern Pacific traffic office.

**NORTHERN
PACIFIC-**
really terrific!





40 Tons of fragile freight gets fast, shock-free ride coast to coast

Linde Company, Division of Union Carbide Corporation, had a problem . . . how to ship a huge, fragile liquid hydrogen storage tank from Tonawanda, N. Y. to Sacramento, Calif. without damage.

Since a 2 G impact, common enough in car coupling, could damage the inner container tank supports, no ordinary car would do.

The answer? There was one car that could carry the tank in positive safety . . . the new Southern Pacific Hydra-Cushion flat car.

Shipped on this car, the tank was delivered in California on the tenth day in perfect condition. On the strength of this performance, several more Hydra-Cushion cars are to be built for the Linde Company.

For shock-free shipment, specify cars Hydra-Cushion equipped.



HYDRA-CUSHION

FOR FRAGILE FREIGHT

HYDRA-CUSHION, Incorporated

PLYMOUTH
MICHIGAN

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720 tons of coal per hour loaded safely with Union Switch & Signal Car Retarder System

At U. S. Steel's coal cleaning plant, Corbin, Kentucky, a system of four car retarders is used to direct coal cars through loading, weighing and coupling operations. This Union Switch & Signal Car Retarder System places cars with speed and accuracy, eliminates a safety hazard and results in a substantial operating saving.

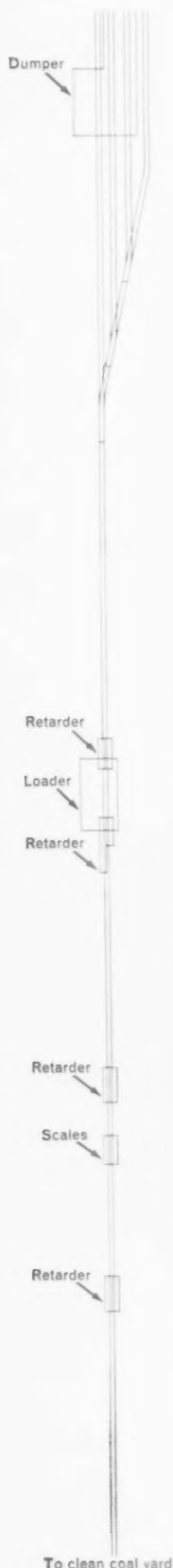
Empty cars are moved to the loading track where the pushbutton-controlled retarders take over while the cars are loaded. Cars next run by gravity to the retarders at the scale house, are weighed

and then run by gravity to a collecting point at another retarder. The entire job is handled quickly and economically by two operators. In three years of operation, the system has been trouble-free and maintenance-free.

Let us help solve your car control problems. We will be happy to discuss with you—without obligation on your part—how a Union Switch & Signal Car Retarder System can speed up operations, promote efficiency, reduce safety hazards. Write today for more complete information.

The first retarder receives and controls empty cars before the loading. Under the loader the cars are slowed down by the second retarder, then move gradually to receive an even load distribution. The third retarder slows the loaded cars for accurate weighing. Just before the coupling, the cars are brought to a complete stop by the fourth retarder.

Empty cars moving to loader are controlled by first retarder, in background. This retarder arrangement provides for availability of 8 empty cars in advance of loading point. As loading progresses, second retarder, in foreground, controls movement of cars being loaded. This system of car handling moves cars with accuracy, assures a full, evenly distributed load.



UNION SWITCH & SIGNAL

DIVISION OF WESTINGHOUSE AIR BRAKE COMPANY

SWISSVALE, PENNSYLVANIA

NEW YORK PITTSBURGH CHICAGO SAN FRANCISCO

RAILWAY AGE WEEK AT A GLANCE

April 24, 1961 • Vol. 150, No. 17

C&O raps 'compulsory' mergers

If voluntary consolidation plans are scrapped in favor of "grandiose" compulsory schemes, the result could be nationalization, warns C&O Vice President Owen Clarke p. 9

NYC expands 'Sleepercoach' fleet

Budd will convert 10 of the road's roomette cars into low-cost sleepers at a cost of approximately \$1,000,000. This will bring NYC's "Sleepercoach" fleet to 14 units p.10

Rate cuts would boost traffic

Reductions in rates of about 20% would induce shippers to increase their loads per car by 50%, according to this month's Traffic Poll p.13

What's behind REA's world-wide expansion?

Anthony F. Arpaia, vice president, international services, tells, in this exclusive interview, how REA's new overseas service helps U.S. shippers p.14

FGE recaptures business with reefer trailers, TOFC

Fruit Growers Express, first private car line to become a major trailer owner, anticipates a rapid growth in its piggyback business p.32

Transit: Whose responsibility?

An RSMA seminar in Chicago concluded that all units of government—local, state and federal—must share the responsibility for planning and financing mass transportation p.43

RR administrative agency proposed

A plan put forward by A.L.M. Wiggins would create a new agency within the Department of Commerce empowered to promote "sound programs" for the industry p.48

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FOR STRUCTURES...
MODERN
concrete



Architect-engineer: Leo A. Daly Company, Omaha, Nebraska

For new Los Angeles freight terminal...

Union Pacific's concrete shell roof gives 139,000 sq. ft. area with no interior columns

With its concrete multiple barrel shell roof, this new Union Pacific freight terminal provides 139,000 sq. ft. of enclosed area without a single interior column. Only 72 working days after concrete for the first shell was placed, all 30 shells and connecting edge beams were finished.

Rapid completion of the shells was made possible by reuse of 6 sets of movable forms. Each form was used five times, effecting important economies. Shells measure 117 ft. from end to end, with a clear span of 104 ft. between supporting columns. Over the loading dock, a 10-ft. section is cantilevered to

provide a canopy. All walls are concrete, built by the tilt-up method.

Buildings contiguous to the terminal are also constructed of concrete. The office building, salvage area and dispatch office have curtain walls of precast concrete, faced with ceramic veneer—91 panels in all.

With its fresh functional design, its durability and low maintenance, Union Pacific's new structure reflects the growing use of concrete by progressive American railroads. Write for free literature: "Design of Barrel Shell Roofs." (U.S. and Canada only.)

PORTLAND CEMENT ASSOCIATION Dept. A4c-26, 33 W. Grand Ave., Chicago 10, Ill.

A national organization to improve and extend the uses of concrete

New container system tested

Developed by Steadman Industries, Ltd., the low-cost, 20-ft units are side-loaded onto flat cars equipped with turntables p.49

The Action Page—It is up to the shippers

Only shippers can prevent further deterioration of the reliability and economy of our transport system, and of railroads in particular p.54

Short and Significant

The Illinois Supreme Court has agreed...

that all property owners in the state should be assessed on an equal basis and has authorized railroads to seek partial refund of excessive real-estate taxes paid under protest.

Merger or a 'combination of services'...

is being studied by Terminal Railroad Association of St. Louis and Illinois Terminal. TRRA is owned by 15 roads entering St. Louis. Nine of these, plus two others, own IT.

Class I railroad employment declined...

to 705,847 in mid-March—10.57% below the March 1960 figure and 0.41% below February 1961. Biggest decrease was among maintenance employees.

A \$1-billion public investment...

in commuter railroads serving New York City is foreseen by the Regional Plan Association during the next 25 years. Estimated highway outlay: \$9.4 billion.

An upturn in railroad buying...

is indicated by increased sales of specialized railway equipment during the last 30 days, says W. E. McKittrick, vice president, Sparton Railway Equipment Division of Sparton Corp.

Current Statistics

Operating revenues	
2 mos., 1961	\$1,367,546,547
2 mos., 1960	1,563,912,129
Operating expenses	
2 mos., 1961	1,170,140,327
2 mos., 1960	1,254,767,533
Taxes	
2 mos., 1961	142,606,243
2 mos., 1960	168,253,956
Net railway operating income	
2 mos., 1961Def.	8,877,379
2 mos., 1960	85,821,736
Net income estimated	
2 mos., 1961Def.	27,000,000
2 mos., 1960	55,000,000
Carloadings revenue freight	
14 wks. 1961	6,889,114
14 wks. 1960	8,177,496
Freight cars on order	
April 1, 1961	15,801
April 1, 1960	42,131
Freight cars delivered	
3 mos., 1961	9,347
3 mos., 1960	13,850

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Shippers Along the Coast Line

Joseph A. Kelley, president and a director of the Zonolite Company, joined his Chicago-headquartered firm in 1946. He is a member of the American Institute of Mining, Metallurgical and Petroleum Engineers, and the American Ceramic Society. A graduate mining engineer himself, he recently paid personal tribute to Coast Line geologists for their assistance in Zonolite's prospecting work.

In Kearney, S. C. . . .

Zonolite Processes One-Third of America's Vermiculite



Zonolite Company Plant, Kearney, S. C.

The Kearney, S. C., Zonolite mill processes one-third of all U. S.-produced vermiculite crude ore—which is shipped to expanding plants and made into building products for insulation, plaster, and concrete roof decks, and carriers and conditioners for fertilizer and other agricultural products.

A specialist in mining and manufacturing like Zonolite naturally needs specialized shipping services—the kind of dependable transportation which Coast Line provides. Whether your shipping problem is routine or special, call Coast Line for the thrifty, practical solution.



C&O Raps 'Compulsory' Mergers

► **The Story at a Glance:** Political action to cripple the voluntary merger movement would be a catastrophe which the railroads can't permit to happen, C&O Vice President Owen Clarke declared last week.

What's needed, he emphasized, is not a merger-moratorium or another lengthy study leading to development of a grandiose nationwide merger plan, but rather "expedited Commission action on the growing back-log of voluntary merger proposals."

Mr. Clarke spoke before a meeting of the Railroad Transportation Institute, which also featured up-to-date reports on incentive rates from Soo Line Vice President Ross L. Thorfinnson; and on automobile movement by rail from Frisco Vice President J. E. Gilliland.

Forty years' accumulated experience, C&O's Mr. Clarke told RTI, "demonstrates that 'grand consolidation plans' are completely unworkable and serve no useful purpose. They have, in fact, acted as a deterrent to unification. With-

out exception . . . grandiose plans for allocating all the roads into a limited number of systems have been based on academic rather than practical considerations. Unless we are willing to accept a compulsory system of consolidation—and I am satisfied we are not—it just isn't possible to put a rigid plan in operation."

Compulsory consolidation, he declared, "is only one step removed from nationalization [and] this is a prospect which should not be forgotten, as we are confronted in the current session of Congress by politically inspired proposals, such as H. J. Res. 355, that would suspend the ICC's power to approve mergers pending development of still another nationwide plan to which all unifications would have to conform. It is difficult to imagine anything that could be less in the public interest."

The industry, he added, "has almost unlimited opportunities for a brilliant future, and . . . consolidation is indeed the key to progress. For 40 years, governmental policy has strongly favored—in fact, urged—rail unification. Now

that we are about to make substantial progress in this area, it would be nothing short of catastrophic if the movement should be halted or hampered by political action. We cannot permit this to happen."

In the East, he noted, many roads are suffering financially. A few—among them C&O and N&W—have been able to preserve good earnings "and to actually continue their progress and growth. But even these railroads realize that, in the final analysis, the industry stands or falls as an entity, and that inevitably the sicknesses of the weaker lines would have their effects on the stronger roads."

For these reasons, he commented, C&O developed "what we consider a unique proposal for consolidation with the Baltimore & Ohio. For the first time in recent years, a railroad with good earnings and in sound physical and financial condition has agreed to ultimate merger with one having great promise for the future, but burdened by depressed earnings and some ex-

(Continued on page 51)

Who's Been Kidding Mr. Kennedy?—an Editorial

President Kennedy's April 13 message to Congress on federal regulatory agencies contained the following amazing statement:

"It is disturbing to note that our common carrier inland waterway traffic, our Great Lakes traffic, our intercoastal and coastal traffic have been withering away, at a pace far more rapid than appears desirable in the light of the low-cost nature of this method of transportation and its potential role in the event of war."

Somebody must have handed the President some garbled figures as to what kind of traffic it is that's "withering away." In 1939, according to the ICC's compilation, the railroads handled 62% of the nation's freight ton-miles. In 1959, the railroads' share of the total had fallen to 45%. In 1939, the inland waterway carriers moved 3.7% of total ton-miles. By 1959 they had increased their share to 8.8%—that is, in a period of 20 years they improved their relative

position by better than 100%.

The increase in tonnage on the Great Lakes from 1939 to 1959 has, indeed, been relatively moderate—but this situation is not the result of competition from other carriers, but rather from the fact that so much of the nation's iron ore is now being imported, rather than brought down from the Lake Superior region. Comparable statistics of coastal and intercoastal ton-miles are not reported by the ICC on the same basis as for other carriers, but footnotes to ICC annual tabulations give Maritime Commission estimates of 221 billion of coastwise and intercoastal tonnage in 1949 and 305 billion in 1958—an increase of 38% in 9 years. During the same 9-year period, railroad ton-miles rose by only 4½%.

President Kennedy went on to express his concern over "unrestrained and destructive competition" in transportation. Nobody in official circles was worried about the "unrestrained

and destructive competition" which reduced the railroads' share of traffic from 62% to 45%, and which (from 1939 to 1959) saw inland waterway traffic rise almost five-fold and truck ton-miles zoom upward by more than 500%. It was only when railroads began to bestir themselves to get back a small fraction of the tonnage they had lost that competition suddenly became "destructive" (i.e., in the eyes of Hoffa and the barge operators).

In addition to giving the President misleading figures on transportation trends, somebody also seems to have persuaded him that barges and coastwise vessels are more important to the national defense than a healthy railroad system is. We only hope he will not have to depend upon experience to correct this mistake.

Whose duty is it to get to the President and give him accurate information to correct his misapprehensions? Whose business is it *not*

NYC Expands 'Sleepercoach' Fleet

The New York Central is placing a \$1,000,000 bet on the future of low-cost sleeper service.

NYC announced last week that it's converting 10 roomette cars, designed for 22 first-class passengers, into 36-passenger "Sleepercoaches."

The Budd Co. will do the conversion job at its Red Lion Plant in Philadelphia at a cost of roughly \$100,000 per car. Budd built the four "Sleepercoaches" now in NYC service and 14 other "Slumbercoaches"—as Budd calls them—in use on the Baltimore & Ohio, Burlington, Missouri Pacific and Northern Pacific.

In the view of NYC President A. E. Perlman, the expansion of the road's low-cost sleeper fleet is no gamble at all.

"General public acceptance of this 'Sleepercoach' equipment during the past year and one half shows the need for comfortable and thrifty sleeping car service," said Mr. Perlman last week.

The four "Sleepercoaches" which NYC now operates on the "Twentieth Century Limited" between New York and Chicago and on the "New England States" between Boston and Chicago have been averaging 90% occupancy. The service was inaugurated Nov. 1, 1959.

The 10 new units will be operated on NYC trains traveling between New York and Chicago via Cleveland and via Detroit. They'll go into service around Jan. 1, 1962.

Each of the new cars will have 10 double rooms and 16 single rooms. Space charge for a single room is \$7.00 in addition to regular coach fares. A double room costs \$12.60. Thus a passenger can travel New York-Chicago in a single "Sleepercoach" room for a total of \$49.16—compared with the total first-class sleeper fare which comes to \$83.99.

Announcement of the NYC order coincided with the two-day interim

business meeting of the American Association of Passenger Traffic Officers in Chicago, and gave substance to the general air of optimism which prevailed at the sessions.

Passenger traffic officers were told to concentrate selling efforts on "premier" trains. J. R. Getty, general passenger traffic manager, Seaboard Air Line, said it's obvious that many people still like trains and still use trains. "Good passenger trains are a valuable asset to the industry while unused trains are a drain," he said.

Mr. Getty, chairman of the AAPTO committee on ways and means of increasing passenger traffic, added: "We have a good potential market and a good product. We must make people feel wanted and appreciated."

Herb Wallace, Burlington passenger traffic manager, agreed. "Our basic problem is convincing people that the railroads want passenger business," he said.

WATCHING WASHINGTON WITH WALTER TAFT

• **MORE THAN \$12½ BILLION**, a billion-dollar increase above 1960, will be spent this year on domestic transport aids by federal, state and local governments. That will bring to \$177.9 billion the cumulative government outlays for construction, operation and maintenance of highway, waterway and airway facilities.

THAT'S THE SHOWING of an AAR compilation, and it's a conservative one. State and local expenditures on waterways and airports, for example, were not available for 1961 and some of the previous years.

TOP 1961 EXPENDITURES, of course, will be for highways—estimated at more than \$11½ billion. Here the cumulative expenditures since 1921 (earlier records unavailable) will become \$160.9 billion, including \$132.7 billion spent by state and local governments and \$28.2 billion by the federal government.

NEXT COMES AIR TRANSPORT, which will benefit by 1961 government expenditures totaling \$691 million. That includes \$549 million to be spent on the Federal Airways System, \$75 million for airport construction, and \$67 million for domestic air-mail subsidies. Cumulative government expenditures in these categories will then have totaled \$9.4 billion.

ON WATERWAYS, an estimated \$311 million will be spent this year. That will push the cumulative total of such expenditures to \$7.7 billion. Included are expenditures on the Great Lakes and coastal harbors as well as expenditures on inland and intracoastal waterways.

The latter will amount to about \$166 million this year, which will build their cumulative total to \$2.9 billion.

NOT INCLUDED are expenditures for the merchant marine, or Coast Guard expenditures identified as outlays for "navigation aids and facilities" or "promotion of water transportation." Such Coast Guard spending is expected to total \$262 million this year, so its cumulative total will become \$5.3 billion.

• **SINGLE FEDERAL AGENCY** to regulate all forms of transportation is not favored by Senator Magnuson of Washington, who is chairman of the Senate's Interstate Commerce Committee. The senator thinks that any needed overall look at transportation should be taken by the undersecretary of commerce for transportation. And he hopes the new undersecretary, Charles D. Martin, Jr., will make that job a big one.

FRANK BARTON became deputy undersecretary in Mr. Martin's office last week. For several years, back through the period when the 1958 Transportation Act was shaped up, Mr. Barton has been a top member of the staff of Senator Magnuson's committee.

THE SENATOR DOES FAVOR giving the President power to appoint the chairman of the ICC. This was recommended by President Kennedy in his recent regulatory-agency message to Congress. Chairmen of most other similar agencies are now appointed by the President, but the ICC selects its own. Its policy has been to rotate the assignment annually.

meet the folks who sell our **SERVICE**



E. F. (GENE) GOUDELOCK was baptized into railroading on the M&NA. To KCS as quotation clerk, Kansas City, 1930. Chief clerk, Chicago, 1939-47; traveling freight agent, Milwaukee, 1947-50, commercial agent, 1950-55. General agent, Seattle, Sept. 1, 1955.

For Gene Goudelock (and countless others) the Pacific Northwest is the perfect place! As our general agent, Gene not only represents KCS Lines in most of Washington and all of Montana, but in parts of Idaho and Oregon as well. The Canadian provinces of Alberta, British Columbia and Saskatchewan also are under his jurisdiction—looked after firsthand by Dave Cooper, commercial agent, Vancouver.

Primary cities stateside are Seattle, Bellingham, Olympia, Spokane, Tacoma, Wenatchee, and Yakima, Wash.; Butte, Mont.; Lewiston, Idaho. Seattle, Washington's largest city, is the gateway to Alaska and the Orient. Bellingham has one of the country's largest paper and sulphite pulp mills. Olympia, the capital, is famed for small, delectable oysters. Spokane thrives on agriculture, lumbering, mining, manufacturing. Tacoma produces Douglas fir doors, lumber, plywood. Wenatchee is apple country, as is Yakima, and most of the state's big crop of hops comes from the Yakima valley.

Butte has an unsurpassed production of copper, zinc and manganese. The Lewiston area, with a million-dollar seed industry, also produces bleached paperboard and forest products.

In the provinces, such cities as Edmonton, Vancouver, Regina, and Saskatoon are growing fast from agriculture, minerals, forests, and fisheries. And the vast wealth of Alaska is just beginning to be tapped!

Our Seattle territory has vast resources. Moreover it has exciting panoramas for the sightseer... diverse recreation for the vacationist... game, fish and fowl for the sportsman... and enjoyable work for such folks as Gene Goudelock, Dave Cooper and Donna Brander, who cooperate with others interested in making the Pacific Northwest's blessings available to all!



DAVID A. COOPER with Can. Pac. 15 years before appointed commercial agent, KCS, Vancouver, 1955. As RCAF pilot won Burma Star, 1939-45 Campaign Medal and other service medals.



DONNA E. BRANDER steno-clerk, Seattle, since 1951.

J. W. SCOTT
Vice President—Traffic
KANSAS CITY 5, MO.



OUR SEATTLE OFFICE
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Amazing CARSCOPE gives you 5-way control
over thousands of carload shipments!



A **NEW** CONCEPT ORIGINATED BY OUR
CREATIVE CREWS



America's resourceful railroad



Imagine being able to **order special type cars, trace, expedite, divert or reconsign** carload shipments with a phone call to *one* department of a railroad!

CARSCOPE—the Milwaukee Road's customer-oriented Central Freight Service Department—will do all 5 of these vital jobs for you in a matter of minutes. Special electronic equipment keeps tab on *every* carload shipment that rolls over our 10,500-mile system every day! And when you need a Load-Protection Device car, or a covered gondola or similar special equipment, we know where to locate it, fast. We keep track of all

Milwaukee Road specially equipped cars, whether they are on our own lines or on other railroads.

Our CARSCOPE service is staffed with *specialists*—men who have worked in the field and gained first-hand knowledge of shippers' problems. When you call with *your* problem, they know how to begin solving it right away! This super-service, with 5-way control, gives you decisive advantages when dealing with your own customers.

CARSCOPE is one more creative contribution made by the Milwaukee Road to the new efficiency of America's strategic railway network.

Route of the Super Dome Hiawathas and the Western "Cities" fleet

Rate Cuts Would Boost Traffic

Proposition

Many hundreds of items in the freight classification have only one carload minimum—usually equivalent to the truckload minimum, and far less than car capacity, either in cubic feet or weight. Many other items in classification have alternate minima but not necessarily with incentives adequate to induce shippers to load to the higher minimum.

Questions

(1) Would it increase your use of railroad service if minima somewhere near car capacity were provided, with an attractive saving, to alternate with existing lower minima?

(2) How much of a saving in charges is necessary to induce a shipper to increase his load per car by 50%—say from 30,000 lb to 45,000 lb?

Reductions in rates of about 20% would be necessary to induce shippers to increase their loads per car by 50%. That is the consensus of 59 respondents to this month's Traffic Poll. Some shippers felt that rate cuts of 3% to 4% would be sufficient to get the increased loads. Others proposed reductions ranging up to 35%.

Nearly all respondents agree they would increase their use of railroad service if minima somewhere near car capacity were provided, with an attractive saving, to alternate with existing lower minima.

Exceptions to the rule are, for the most part, members of industries where larger or heavier loadings would be dangerous for the products.

More than one thinks, as does R. M. Boyd, director of traffic & transportation, Pittsburgh Plate Glass Co., Pittsburgh, Pa., that "any percentage increase in minimum should be accompanied by a reduction in rates reflecting approximately half the percentage of increase in minimum, e.g., a 50% increase in minimum should be accompanied by a 25% reduction in rate."

An all-around viewpoint comes from V. M. Stechishin, secretary of the Manitoba Transportation Commission's Department of Industry and Commerce. Mr. Stechishin writes:

"We have made a telephone survey of some of the larger shippers in this area. . . .

"All shippers agreed that they would

increase their use of railroad services if they were provided with attractive savings. The difference arose over the definitions of the word 'attractive.' [But] at least one admitted that he did not believe railroads could make money at the level of rates which he considered sufficiently attractive. This shipper presently has alternative rates with alternative minima (Groceries, 24,000 at class 45, or 30,000 at class 40), but uses the higher rate because of the difficulty of getting his customers to accept the heavier loads.

"The amount of the saving necessary to induce heavier loading by 50% varied from shipper to shipper and from commodity to commodity. While almost all maintained the existing reductions from class rate at class minimum to commodity rate at commodity minimum were not sufficient, we found only isolated instances where the class rate by rail was used. When the customer was unable to accept the higher minimum at the commodity rate, the shipment usually went forward by truck.

"We developed a formula which we thought might be 'sold' on the basis of being fair to railroads and shippers and tested it for reaction:

"1) At 30,000 minima and a rate of 100, the revenue per carload is \$300.

"2) At 45,000 lb without a change in rate the revenue per carload is \$450.

"3) The increase in revenue to the railroad is \$450 less \$300, or \$150.

"4) The increased load results in higher costs both to railroad and to shipper, therefore the added revenue should be shared equally and the railroad should be willing to accept increased revenue of \$75, or \$375 per car of 45,000 lb.

"5) The rate to be assessed on 45,000 lb to yield \$375 per car is therefore $83 \frac{1}{3}$ or a reduction of $\frac{1}{6}$ for an increased weight of 50%.

"Shippers' reaction to a formula such as this was generally favorable, but again reservations were expressed on particular commodities."

"The fact that commodities vary in weight must be considered," thinks T. S. Turton, traffic manager—research & audit, United States Gypsum Co., Chicago. "I believe the question should reflect average actual weight of today's shipments as compared to something close to car capacity. Railroads are not going to establish incentive rates unless they increase per-car earnings, which means that the minimum weight for any incentive rates must be greater than today's average weight."

"Instead of revising regular classification carload minima which were originally set up for the specific commodity," says J. W. Dobmeier, traffic manager, Buffalo Forge Co., Buffalo, N.Y., "a simpler way . . . would be for carriers to publish in their regular tariffs various percentage reductions in rates for each 5,000 lb loaded beyond the minimum carload weight."

As his reasons for advocating a 25 to 30% decrease in cwt. rates, T. C. Hope, general traffic manager, Montgomery Ward & Co., Chicago, lists:

"1) Rail revenues would remain adequate per car-mile.

"2) Shipper would have to increase his inventory 50%, raising cost of inventory, lowering turnover, and increasing warehousing and stock-keeping expenses.

"3) Rail carriers compete with truckers who meet the rate with characteristically lower weight requirements, plus maneuverability, elimination of some team-track draywork, less inventory, etc. So, railroads should offer the one thing they've got—capacity.

"4) Failure of rail carriers to recognize that transportation is now being predicated more on weight and mileage cost factors encourages private carriage."

"In our opinion," thinks E. K. Brenner, traffic manager, McDonnell Aircraft Corp., St. Louis, "an increase in carload minima together with incentive rates would result in three prime advantages to the shipping public:

"1) Reduce costly blocking.

"2) Make more and suitable cars available for loading.

"3) Encourage diversion of traffic to rail."

Mel York, traffic manager, E. W. Bliss Co., Salem, Ohio, writes that "more than one step-up should prove mutually advantageous and volume of 80,000, 100,000 or 120,000 lb per car should be considered.

"The ancient rail reporting of carloadings has long been ridiculous; 10 cars of minimum weight, short-haul, or low-rated tonnage may rob the carrier of net revenue whereas one car of good tonnage and/or long-haul and/or high-rated material will show substantial net income.

"Since the cost of loading a car is considerably more than loading a truck, both in labor and in bracing material, the savings must be substantial—30 to 35% under the rate for nominal tonnage," writes Paul J. Bond, general traf-

(Continued on page 26)

What's Behind REA's World-Wide

REA Express has been a prime mover in the development of coordinated and integrated transportation services, not just at home but world-wide. In international trade, perhaps even more than domestically, the savings one-agency-handling can provide are often important enough to determine whether or not trade exists at all. If the details of shipment are too costly or too complicated, only essential traffic moves.

A pioneer in providing overseas service to American shippers, REA has seen its service grow steadily. Today, REA is intensively engaged in international operations. It offers a single-bill-of-lading service covering more than 45 million origin and destination combinations, coordinated international air express, maritime freight forwarding and customs brokerage. And there is every prospect that the international services have a lot of growth ahead.

The United States is presently concerned about the size of the gold shortage resulting from the poor balance between exports and imports. REA points out that the balance of trade is affected by the high U.S. cost of production, one factor of which is transportation costs. One way of maintaining the world commerce vital to U.S. welfare is by making it simple, cheap and convenient for United States businessmen to compete in world markets. In this area, REA

thinks its integrated and coordinated international service, which offers complete and through single charges and a single negotiable through bill of lading, is a major step in the right direction.

For the story on what REA is doing to keep trade flowing freely, Railway Age went to Anthony F. Arpaia, former Interstate Commerce Commissioner who became REA's vice president, international services in May 1960. Here, in an exclusive interview, Mr. Arpaia tells what's been happening to REA's International Department, and what's ahead.

Q. Mr. Arpaia, what is the biggest advantage REA's service has to offer over conventional international shipping?

A. Simplification. Streamlining procedures. There are two factors making for change in the traditional way of doing international business: growth of the export-import trade, and changing needs and requirements of shippers. Simplified procedures for international shipments are important to both areas.

Q. What makes international traffic so complicated?

A. One thing is the number of agents you have to deal with. With our decentralized and highly diffused system of production, most goods are not manufactured or processed at outbound port

city piers, nor are they consumed or used at destination port cities.

The conventional way of handling foreign trade has been highly compartmentalized. You have to ship from your plant to the port. You have a foreign freight forwarder make the arrangements for shipping and book the steamship, overseas. The consignee must have someone to clear the shipment through customs, and someone else has to make arrangements to get the shipment from the pier to the consignee.

What a burden it makes to have separation of functions on each leg of the haul, with all the separate charges involved. Conventionally, under letter of credit arrangements for the payment of goods, the shipper must wait to progress his payment until goods are aboard the ship and an ocean bill of lading is issued.

Q. How do REA methods differ?

A. Because of our volume and because of our established facilities, REA is able to offer simpler, less complicated transportation procedures and lower total costs. REA's Through Export Bill of Lading, issued at most interior origin points, can be processed with banks immediately, when so specified in the letter of credit. So once the shipper gives us the merchandise, he can get his money. And it works

International REA—Where, What and Why

REA Express is a world-wide transportation agency operated on the principle that efficient transportation depends on using the best advantages of each form of transport—air, rail, highway and water, each or all of them as the customer's needs dictate.

REA's import-export international shipping service is a link, by way of overseas agents, between virtually any point in the free world and the 23,000 communities served by express offices in 10,500 U.S. cities.

Vice President, International Services, A. F. Arpaia says of REA's international service, "In essence, it comes closest to completely integrated transportation. It furnishes a variety of complete one-transaction services from point of origin to point of destination."

REA's function, as Mr. Arpaia describes it, goes beyond simply pro-

viding service between a great many different points. "Our effort and purpose," Mr. Arpaia says, "is and has been to simplify procedures and take much of the burden off the shoulders of shippers. One telephone call to our nearest office will get done the job of arranging the complete transportation of any shipment. . . . This same simple procedure includes [such things as] insurance, customs brokerage, collection of the invoice. Doing business with REA Express is the easiest way I know of obtaining the broadest variety, flexibility and combination of services."

REA's international operations provide several distinct services:

● **REA World Thruway Service**

Via affiliated carriers overseas, this links the U.S. shipper at every location served by REA with most countries of the world, through principal

gateway cities. More than 45,000,000 origin and destination combinations are served. World Thruway Service provides an immediately negotiable Uniform Through Export Bill of Lading (UTEBL) that includes published through rates. This Bill of Lading, issued at cities of origin, is accepted by banks in lieu of an original Ocean Bill of Lading when so specified in the Letter of Credit. This avoids delay caused by waiting for the Ocean Bill from the port of export and permits quick bank credit on shipments. In addition, the Through Export Bill of Lading brings lower minimum charges and, in many cases, lower marine insurance. About 72% of REA's international shipments in 1960 were on UTEBL.

● **World-Wide Air Cargo Service**

REA Express is an Air Cargo sales

Expansion?

both ways. The customer benefits, too. Under conventional arrangements, the customer didn't get the complete sales story. He didn't know what a shipment cost until it had been completed. REA's Through Bill of Lading moves under published tariffs. The customer wants to know what it costs to get stuff where he is. Business on a delivered price basis is the normal way. Any other basis makes it harder to do business.

The average businessman has been turning down orders abroad because of the complicated procedures he has to go through to sell overseas. You have to go through all the steps even on small orders; where you might have a profit margin of \$100 on a \$1,200 order, for instance, it just isn't worth it.

REA takes the mystery out of the arrangements. If a shipper wants to give us a letter of instructions and a standard invoice, we'll handle all the documentation that's necessary and give him an express receipt. That's a tremendous help to novices in this field. We're trying to get people into international trade, who've never been in the business before.

Q. I can see where your service would appeal to newcomers to foreign trade. Is it as attractive to a man already in the business?

A. Yes, of course. He doesn't have
(Continued on page 18)



"We're making it possible for new businessmen to get in the field."—Arpaia.

agent for member airlines of the International Air Transport Association (IATA). As such, it has at its disposal every international flight of the 33 major carrier members of IATA. Through 18 gateway cities in the United States (including such inland points as Dallas, Chicago, Detroit, Minneapolis, Washington and St. Louis), REA Express connects its far-flung domestic truck, rail and air system with international airline terminals abroad. Air shipments accounted for about 26% of REA's international shipments in 1960.

● Foreign Freight Forwarder Service

REA Express is a registered Federal Maritime Board foreign freight forwarder (FMB No. 941). To countries where a Through Bill of Lading Service has not yet been extended, REA handles shipments as a

forwarder. This amounted to about 2% of REA's total international shipments in 1960.

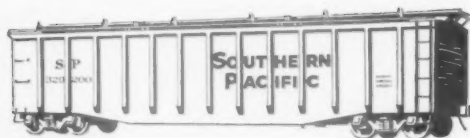
● Documentation and Customs Brokerage Services

For small fees, REA Express provides clearance through customs; preparation of Shipper's Export Declaration; preparation of Consular Invoice, when required; preparation of Application for Export License; handling of Letter of Credit with banks; messenger service to consular offices or banks; preparation of commercial invoices; and preparation of Bills of Lading. About 100,000 separate transactions of this sort were handled in 1960.

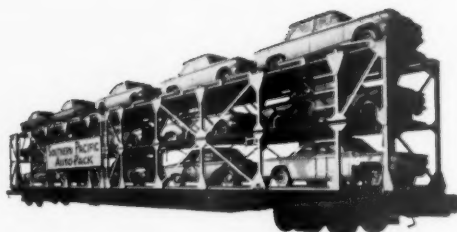
● Overseas Representatives for World Thruway Service

REA is represented by agents in 41 foreign areas: Algeria; Australia; Austria; Bahamas; Belgium; Bermu-

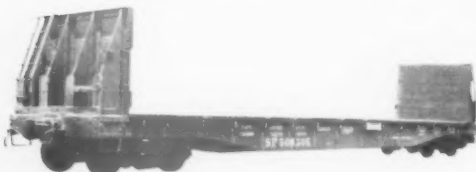
da; Costa Rica; Denmark; Eire; England; Finland; Formosa (Taiwan); France; Germany (West); Greece; Hong Kong; India; Israel; Italy; Jamaica, B.W.I.; Japan; Korea; Laos; Lebanon; Luxembourg; Majorca; Mexico; Netherlands; North Ireland; Norway; Philippines; Portugal; Puerto Rico; Saar Territory; Scotland; Spain; Sweden; Switzerland; Thailand; Turkey; and Wales. In addition, contracts have been signed but not yet implemented with agents in Viet Nam and Cambodia. Agents in Singapore, New Zealand, Trinidad, Ecuador, Iran and Ceylon are likely to be placed under contract soon. Negotiations are under way also with Burma, Iceland, Liberia and Honduras. The main free-world areas not yet included are in Africa and South America, and steps are being taken to extend service there.



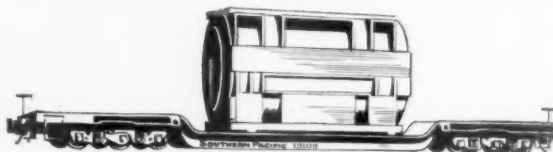
Covered gondola car has movable bulkheads and removable covers for steel, aluminum, other loads requiring protection.



Multi-level Auto Pack, bi-level or tri-level, for efficient shipping of automobiles and trucks.



Bulkhead flat car, for plasterboard and other uniform loads.



Depressed-center flat car, heavy-duty, for extra-high and extra-large shipments.

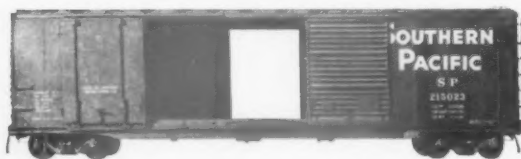
All sorts...all specialists in moving and protecting freight

No longer is a freight car *just* a freight car. Even box cars now have personalities of their own—special aptitudes for different jobs.

Here are some of the many specialists in S.P.'s freight fleet, now more than 85,000 cars strong. These cars are designed and equipped to meet the widely varying needs of shippers

and receivers—needs both usual and unusual—for efficient freight handling with maximum protection for lading.

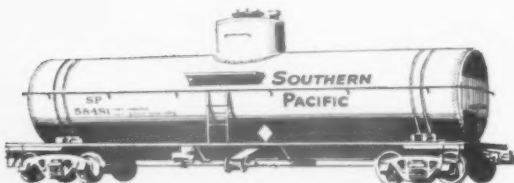
With cars like these and others, we aim to provide safe, damage-free rail transportation for whatever you have to ship—to, from or in the eleven-state Golden Empire we serve.



Double-door box car, for plywood, lumber and other shipments needing wide doors.



Heavy-duty open gondola car for carrying ore. Extra-weight capacity.



Tank car, for petroleum products, chemicals and other liquids in bulk.



Piggyback car, for carrying highway trailers, vans and containers.



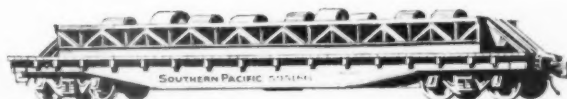
Aluminum hopper car. Extra-capacity lightweight car for bulk sulphur movement.



Covered hopper car, high-capacity, for granular and powdered products.



Mechanical refrigerator car, for frozen or fresh foods as well as general freight.



Coil car, with cradle for carrying heavy rolled-steel coils.



Hydra-Cushion box car for top protection of fragile freight. Also equipped with various types of interior load-protection devices (D-F and Car-Pack loaders or Compartmentizer dividers).



Bin car, for containerized shipments of bulk chemicals, powders, granular commodities.



Wood chip car, extra-large capacity for moving wood chips from lumber mills to paper plants.

Southern Pacific

Serving the Golden Empire with
TRAINS • TRUCKS • PIGGYBACK • PIPELINES



to make any subordinate arrangements either. One telephone call sets up the arrangements. He has one contract for any overseas shipment; it's no harder than shipping from New York to Chilli-cothe.

Q. How extensive are REA international operations, and how extensive do you think they eventually will be?

A. We have service to and from 41 countries—our Through Export Bill of Lading service does—and we are closing contracts with eight additional countries. We're in the process of establishing agents in all the countries of the free world, even in the new countries. We're working very hard on them now. To the extent it's possible, we're getting the broadest coverage in the world.

Q. Is there any demand for extending Through Bill of Lading service behind the Iron Curtain?

A. No, there's no freedom of movement there anyway. We haven't tried. We do offer freight forwarder service, though, to anywhere in the world.

Q. How do you go about setting up an agency abroad?

A. In picking our agencies, we look for experience. Second, we look for reliability. We have some people who have offered to become agents that we have had to reject. They may be solvent, but they have to be more than that. They have to be secure. Our agents have to be just as dependable and reliable as the people we have here.

Our service is the only service where you can ship an article of unusual value, even classified material. We give protective signature service, armed guard ser-

vice, armed surveillance service, and this means we have to pick agents who are dependable.

Q. What kind of quality control do you have over your agents? Can you guarantee transit time as well as price?

A. Of course, as far as price is concerned, rates are published, both import and export. Transit time is the service you're selling. On the Through Export Bill of Lading, we do not try to work through the cheapest service. For example, we'll ship on the first available steamship arrival. On air, also, we do the same thing; we take the first available airline space. An exception is government traffic, which has to go American flag.

Q. How does your traffic break down between military and commercial?

A. We handle a lot of military traffic. We've been developing international commercial traffic, though, and we think that commercial traffic is going to grow. Military traffic is an undependable base for building future growth.

Q. Do you give your agents minimum traffic guarantees?

A. You have different arrangements in each country. You might have minimum guarantees in some cases and not in others.

Q. How much traffic do you need to set up an agency?

A. In the beginning, you really don't have to have any specific amount. The thing that generates traffic for through bill service is the fact that it exists. It will generate its own traffic from there.

Q. Are there differences from country to country in regulation, in restrictions on letting one company provide one-package, one-ticket service?

A. Our agents are private agencies in almost every country, even where the transportation system is nationalized. The agents have complete freedom, and mostly operate the way we do here. Our agent in Germany, for instance, Schenker & Co., is a subsidiary of the German Federal Railways, but is operated independently. And in most of the countries we do business in, our agents are private. None of our contracts require government signatures.

Q. Are there any inter-company agreements between your agents for non-REA business; that is, business moving between two of your agents in foreign countries?

A. As a matter of fact, there are. Many of our agents, because they are the best established in their respective countries, do engage in business with each other, too. I see evidence occasionally that indicates the through bill system we pioneered is spreading. Even where we're not involved, the foreign companies are tending to use the single bill of lading idea.

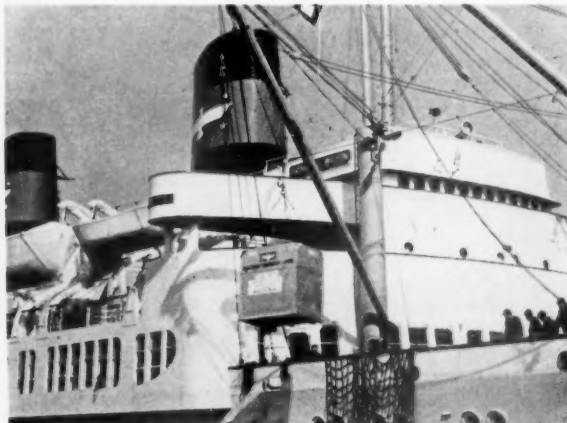
Q. What are the size limitations on your shipments?

A. As far as we're concerned, we have nothing that limits the size of shipments except economics. A rolling mill broken down will go to a port city on an export rail freight rate. So why move it on a through express bill? But here we do give our conventional freight

45 Million Origin-Destination Combinations



DOR-CON-DOR SERVICE moves household goods in sealed containers from U.S. packing to overseas delivery.



CONTAINERS provided by REA and Nippon Express Co. handle small shipments between U.S. and Japan.

forwarder service from the port city or, on incoming shipments, our customs brokerage service. We have the staff, and we want to increase this type of business, too. REA is versatile. We can handle conventional customs brokerage, conventional freight forwarding, through export bill of lading, or interchange on freight movements abroad.

Q. Where do containers come in?

A. We're developing our container service. To show how the advantages are appealing, assume we have a shipper abroad who wants to ship to 30 or 40 different receivers in this country. Depending on the commodity and the volume, he can load the shipment in one, two or three containers. The shipment is containerized there; he saves on export packing, weight, damage, pilfering, time. Assume there are three containers coming through the Port of New York (it could be any of the 13 major ports). He can load each container as individual packages for different destinations. One container might come to the New York area and break bulk there for individual distribution. The second container goes to Chicago for distribution there; the third goes to Atlanta.

That is expeditious service. No other carrier can do that, because through our single carrier service we can cover any delivery situation.

Q. Have you had problems in using containers through ports where there is strong labor opposition?

A. No. Labor has a vital stake here, too. We have to have changes to stay alive. Our situation is good in the United States and Europe, but containers

have not yet been tried everywhere. We have container service to and from Hong Kong, Japan, Philippine Islands, England, Denmark, Germany, Holland, France and Italy, which are the most active countries, where it is usually possible to get a two-way movement of containers. Other countries are mostly a one-way movement. It's not easy to bring a container home empty, as we would have to in shipping to some countries. Our rates assume we'll have two-way loads for the containers.

Q. How about customs?

A. We are the only carrier to have a customs inspection staff right in our own terminal in New York. There is no pier delay. It is all brought in to our own warehouse for customs inspection, which saves a lot of time, as much as five days.

Q. What kind of tariffs do you publish?

A. We have relatively simple tariffs. We want to make them as simple as we can. That's one of the advantages shippers have with us. Our tariffs are made up of three elements: the domestic express haul, the ocean haul and the inland haul at destination country. This results in a single charge, all based on published tariffs.

Q. Is further simplification likely?

A. I think so. I think rates will eventually be based on cube. You're bound to simplify tariffs this way. What else does a carrier have to sell but space? Private carriage has destroyed the old value of service concept.

Q. What kind of costing techniques are necessary to set up rates from all

your U.S. offices to the points you reach overseas?

A. The costing techniques are exactly the same as for domestic rates, up to the water's edge. Ocean rates are a known factor. Then you have standard charges for customs clearances, etc., and for land movement overseas. On the Through Bill of Lading, all are included. We don't guess about rates; we know, and the shipper and the consignee know.

Q. How do you sell your international service?

A. On this side, we sell it as part and parcel of our all-inclusive service. Every agent can take any shipment for any destination. He simply sends it to the gateway. And every sales representative sells the entire range of services. Every domestic customer with expanding trade is a customer for international service.

Overseas, we have our REA Express representative, but the selling job is done by the agents. Sometimes the importer controls the routing, sometimes the exporter.

Q. Do you use the REA emblem overseas and the REA name?

A. Yes. Most of our agents use both the REA symbol and their own. What appeals to our overseas agents is the fact that we're old and established. Our roots go back 122 years. We have coverage at the gateways. We add new gateways as needed. When we were considering changing our name, we asked our agents to comment. They said, "Do not give up the REA. It's

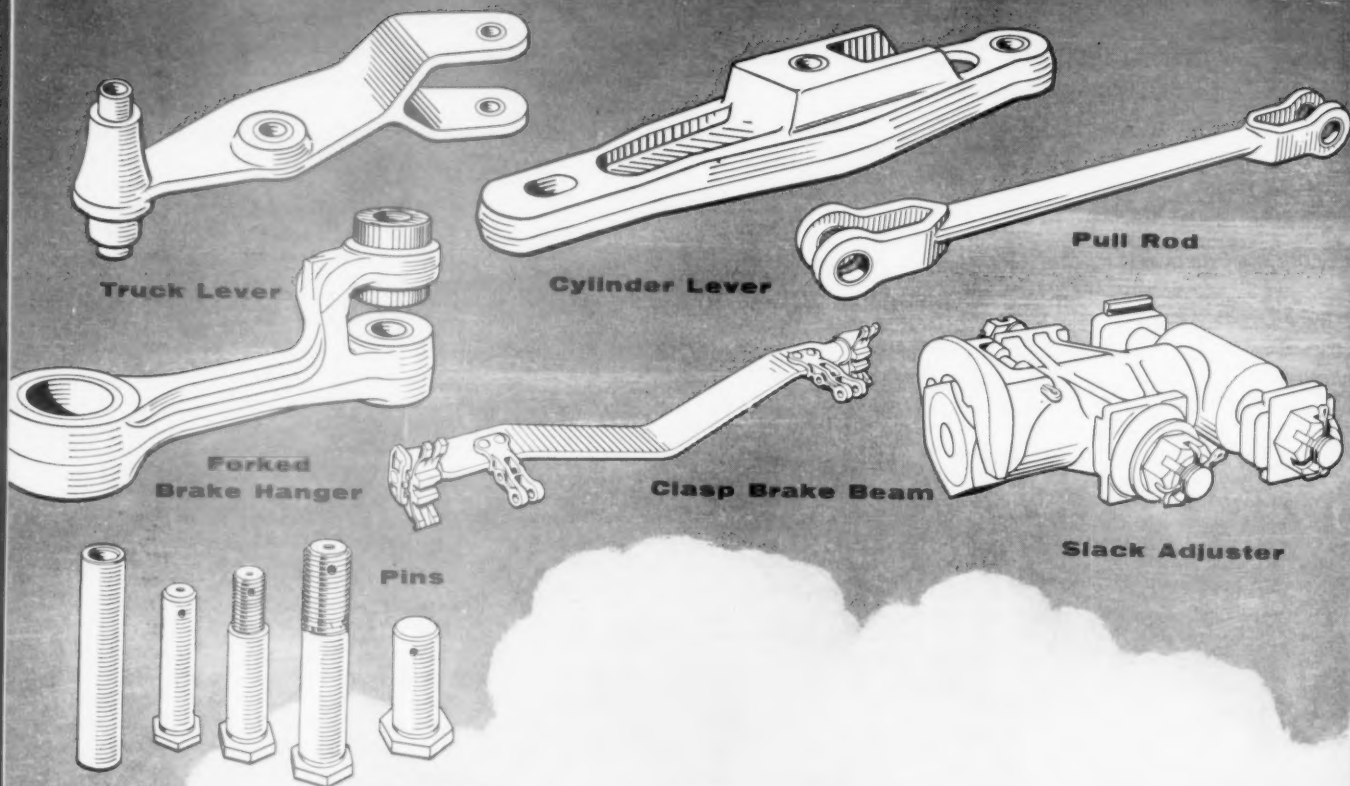
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OVERSEAS AGENTS, like West Germany's Schenker & Co., provide international extension of typical REA service.

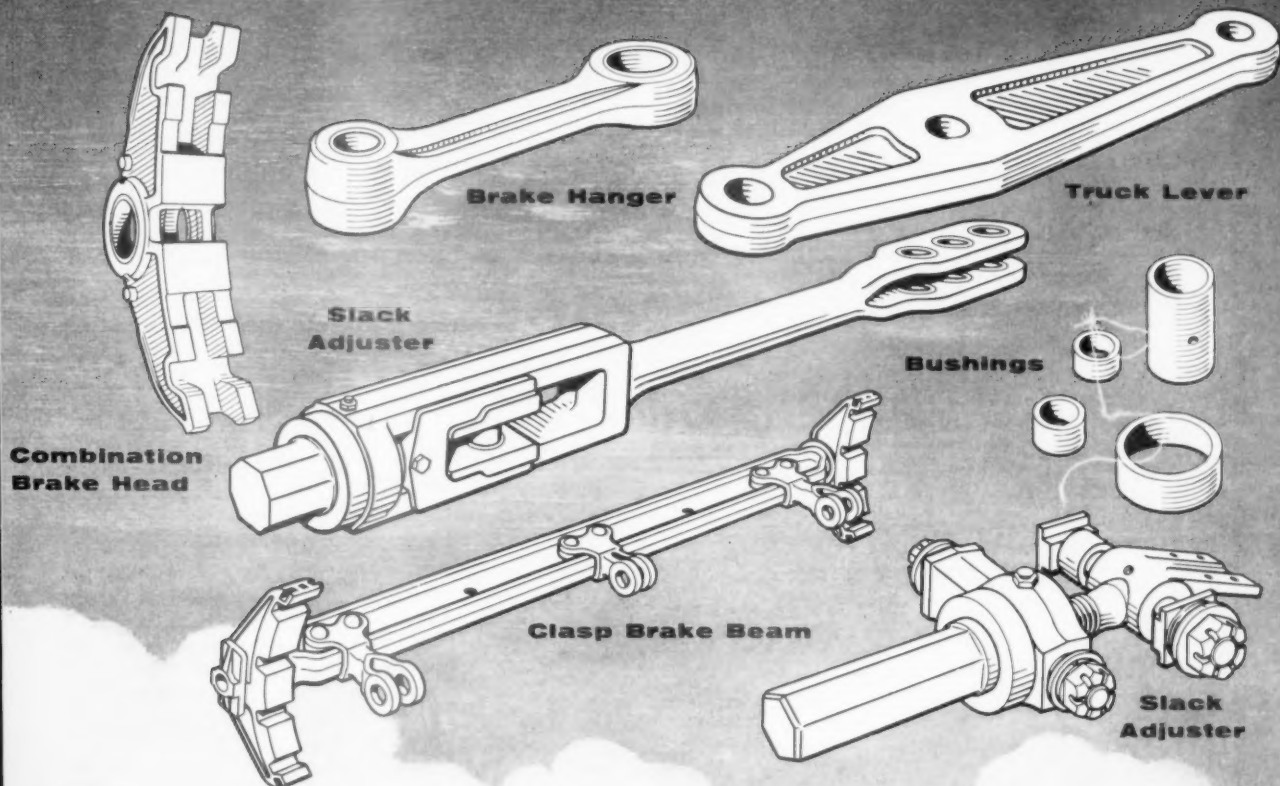


CUSTOMS INSPECTION at REA's New York terminal is carried out by a permanently detailed customs staff.



For the best in





brake performance...

*Bring your parts requirements to
the source that's equipped for SERVICE*

Brake repair parts from two sources may look alike—but they don't necessarily perform alike. Each part you order from ASF gives you the finest possible service . . . because each reflects constant brake research and development.

As just one example, all ASF Pins are induction-hardened. The equipment needed to do this job meant a big investment. But, it was entirely justified by a big increase in effective depth of hardness . . . another way of saying longer service life. Also, Brake Heads now have hardened faces . . . additional processing that improves service performance.

That's typical of the advantages—to you—of working with brake specialists. And when it comes to production efficiency, ASF lines are specially set up for producing all types of brake components. All operations, from forging, casting and welding through final machining, are handled by us; you order from one source with one responsibility for quality.

To serve you promptly we maintain a large inventory of active brake parts for your convenience. So, when you want brake service, call in your ASF Representative!



AMERICAN STEEL FOUNDRIES
HAMMOND DIVISION—Hammond, Indiana

SALES AGENTS: Delano & Company, Jacksonville, Florida; Mells Cargo Supply, San Francisco, Cal.



CANADIAN SALES:
International Equipment Co., Ltd.
Montreal, Quebec



well known overseas."

Q. Your Dor-Con-Dor service moves household goods overseas from packing at the residence to unpacking at destination. Door to door by container, as the name suggests. Are you planning to expand it from military to private shippers?

A. Yes. We are plotting our rates to cover the whole ball of wax. Our transit time checks of these collapsible

containers have been very good. We're going to file rates here by states. The service will be available commercially as soon as we can get our tariffs published.

Q. How is REA Express affected by the present concern of the U. S. Government with our balance of trade?

A. We think we're helping. We're making it possible for new businessmen to get in the field. These are people

who've never been able to make it worth their while before because their costs were too high to be competitive.

Q. One last question. What's ahead for REA internationally?

A. I think we'll continue to expand and grow. We're alert to every advantage technology can muster. That's uppermost in our mind. The way to get growth is through a better service at the lowest possible cost.

REA Service Is Geared to Versatility

Talk to REA's director of international operations, William J. Wallace, and you come away with an impression of the enormous range of REA's International Department operations. Here are a few recent examples:

- A tourist from Cincinnati, traveling in England, bought a china dinner service at Harrods. The price the sales clerk quoted was for the goods delivered in Cincinnati. All that was required of the customer was information as to when he planned to return to the United States and a note that he would include the item in his exempt customs declaration.

This service and similar service with other English department stores is available on china, silverware, piece goods, knitwear, textiles, cosmetics and perfume, under a special agreement between REA and Anglo-Overseas Transport, REA's British agent. Traffic is containerized in England, brought to the Port of New York by ocean shipment, moved directly to REA's International Terminal for inspection by the Customs station inspector permanently stationed there, and forwarded to destination by domestic express.

Similar services are offered, or soon will be offered, in Denmark, France and Germany. The price to the customer includes packing, domestic transport, customs clearance, ocean haul, clearance here and delivery to door.

"It's very attractive to tourists," Mr. Wallace notes.

- A San Antonio firm purchased a lot of artificial flowers in Hong Kong, to be delivered on a Through Export Bill of Lading in REA's Strick-Tainers. The shipment left Hong Kong aboard American President Lines S. S. President Fillmore Dec. 22, 1960, due at the Port of Los Angeles, Jan. 7, 1961. The original instructions were to move the Strick-Tainers on highway bogeys over the road from Long Beach to Los Angeles, then by piggyback to San Antonio.

The market situation changed while the shipment was under way, however. Before it arrived at port, the consignee decided to forego shipping the container intact to San Antonio in favor of breaking bulk at Los Angeles to make dispersed express delivery from there.

"This gives you an idea of our flexibility," Mr. Wallace says. "We could handle it either way, whichever was best for the customer."

- A Syracuse manufacturer had a medium-size shipment for Turkey. Under REA's Through Export Bill of Lading, he was furnished a 239-cu-ft container at his loading dock. This moved in regular REA service to New York, where REA put it on the first available steamship for Istanbul. After customs clearance, the shipment was delivered by REA's agent in Turkey, H. W. Fuestel, to the consignee. "Time was under 30 days," Mr. Wallace comments, "complete cost to the shipper, Syracuse to Istanbul, delivered, was \$611.65."

- An Army officer transferred to Germany, from a Texas base, had his private baggage delivered in 19 days. Under previous shipping procedures the shipment would have required about 40 days.

Since 1957, REA has been handling in its World Thruway Service unaccompanied movement of baggage and effects of military personnel moving to and from armed forces bases in Europe and the Far East. This baggage delivery system, called "Pribag," has saved time and money for the military. Mr. Wallace says, by effecting delivery in half the time required for previous military or multiple private carrier services. The nationwide REA Express network serves all military base areas in the United States and, through its agents abroad, REA also serves overseas bases. When the ocean haul is by regular steamship, containers are generally used for this service. In some instances, REA has provided truck trailers as through containers for military roll-on, roll-off ships.

- An Air Force Captain was transferred from Stewart Air Force Base, Newburgh, N.Y., to an Air Force installation at Essex, England. His family and household belongings went with him. Special fibreboard containers were provided by REA at the serviceman's Newburgh home, where professional packers stowed his dishes, appliances, small furniture, clothing and other personal effects in special drums and cartons, then into the "Dor-Con-Dor" containers. The boxes were sealed, moved overseas by REA, and delivered sealed at the new residence for the contents to be unpacked.

"This service started on a four-month experimental basis," says Mr. Wallace. "It saves at least ten days in actual origin-destination delivery time, compared with conventional tandem handling methods via multiple carrier services." The Dor-Con-Dor containers are made of triple-walled, water-resistant corrugated fibreboard. Packed, they are steel-banded to a wooden base. The boxes are 7½ ft long, 6 ft 2 in. high and 3 ft 7 in. wide. "They are very satisfactory," Mr. Wallace reports, "except when somebody wants to take his roof-top television aerial with him." The service is likely to be extended commercially soon.

- ICA shipments to Laos have been a difficult problem, with the current unrest in that country. Because Laos is landlocked, shipments have to go through Bangkok or Saigon, and there were many opportunities for diversion and pilferage. Recently, a contract was negotiated with ICA providing that Laos shipments be made on an REA Through Export Bill of Lading. The REA agent for Laos is the same as for Thailand. Express Transportation Organization of Thailand, but on the REA Bill, Thai customs accepted the Bill as proof that the shipments were in-transit goods and no customs were assessed at the ports. "The guaranteed delivery appealed to the ICA," Mr. Wallace reports.

Another important message for railroad operating and maintenance officers...

New Mobil timing gauge set provides exact "visual" measurements...permits highly precise injection timing

AS PART of a program to help railroads achieve greater efficiency from fuels and lubricants, Mobil has now developed a set of three new timing gauges for certain types of engines. Unlike conventional timing gauges, these new Mobil instruments do not depend for their accuracy on the user's sense of touch. Instead they yield exact measurements which make it practical to achieve highly precise timing adjustments... which in turn are vitally important if proper combustion is to be achieved.

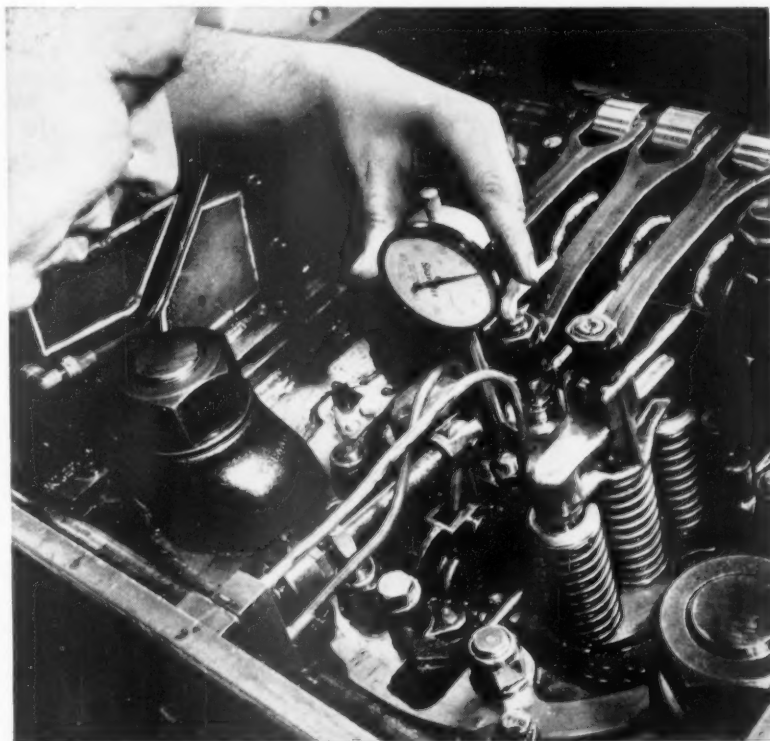
The first gauge is a supervisor's instrument designed to permit rapid and accurate checking of timing settings.

Basically this gauge consists of a narrow shaft necked down to a plug at the lower end. The top end of this shaft telescopes into a shorter, tubular barrel which is surmounted by a dial indicator. A spring in the barrel holds the shaft in an extended position when the gauge is not in use. In using the gauge, the supervisor engages the plug end of the shaft in the mating receptacle of the injector body and pushes the tubular barrel down until it is stopped by the injector follower shoulder. With the gauge in this position the top of the shaft pushes against the dial indicator spring yielding a reading on the dial.

The dial can be set to give any given reading for a correctly adjusted follower. For example, a supervisor might set the dial to show "O" at the correct timing setting as determined with a master gauge also provided in the Mobil timing gauge kit. The dial will show deviations of .001 inch from proper settings, permitting a supervisor to quickly and efficiently inspect timing of overhauled engines or conduct spot checks of units in service.

The second gauge is the "work horse" of the group and is used for general shop setting of engine timing. It is sturdy, accurate, and extremely easy to use.

This general shop production gauge is similar to the supervisor's gauge in principle in that it consists of a spring-loaded shaft that telescopes into a barrel. However, the production gauge has a window



New Mobil Oil Company Supervisor's Gauge permits fast and accurate checking of timing settings on certain types of engines. Deviations as slight as .001 inch can be easily read from dial indicator. With this instrument, supervisors can quickly and efficiently conduct spot checks of units in service or inspect overhauled engines leaving the shops.

in the barrel instead of a dial indicator. When the operator pushes the barrel down until it is stopped by the follower shoulder, the window in the barrel shows a die mark on the shaft. If timing is correct, this die mark aligns exactly with a corresponding die mark on the edge of the window.

Incorrect timing is easily noted because the shaft is painted green above the die mark and red below the mark. Thus if the injector follower is positioned too low, the barrel of the gauge will descend further than it should, revealing the red portion of the shaft in the window. If the follower rests too high, its shoulder will stop the barrel of the gauge too early in its descent,

showing the green portion of the shaft.

The third gauge is the master gauge mentioned above which exactly duplicates the measurements of a correctly adjusted injector and follower assembly. It is used for checking working gauges.

Mobil has available on request complete shop drawings to assist railroads in constructing these gauges for their own use.

These new instruments are another step in Mobil's continuing program to provide railroads with better maintenance instruments. They are the result of Mobil research which goes beyond fuels and lubricants for the benefit of the railroad industry.

95 years of helpful association with America's Railroad Industry



MOBIL OIL COMPANY, 59 East Van Buren Street, Chicago 5, Ill. • 150 East 42nd Street, New York 17, N.Y. **RAILROAD PRODUCTS**



It's "all-door" and a box car wide!

*Introducing Southern's new
"EASY-LOAD, EASY-UNLOAD"
freight car*

Here is a new breed of box car. Designed and built by Southern, our "easy-load, easy-unload" freight car has sides that roll up like your overhead garage door — opening the entire length of the car on either or both sides.

It's a "lumber shipper's dreamboat," said one building trade authority after this car had been loaded with mixed lumber in one-sixth the time ordinarily required.

But its usefulness isn't restricted to lumber and allied products. Our new all-door car is "made to order" for speedy, economical fork-lift loading and unloading of any big packages that cannot readily be moved through the door of a standard box car.

This new type of car is an illustration of how Southern is putting the accent on the needs of our shippers — resulting in new ways to give better service and to save time and money for our customers.



SOUTHERN RAILWAY SYSTEM

"Southern's Accent is on YOU!"



fic manager, Pure Oil Co., Palatine, Ill.

"With the saving to the carrier in investment in equipment, reduction in car-hire, and operation costs, there should be a saving passed on to shippers," writes E. W. Olson, traffic manager, Vermont Marble Co., Proctor, Vt.

In formulating lower rates, carriers should "bear in mind that there is an additional labor cost when loading higher in the car," suggests F. Ainsworth, Husky Oil & Refining Ltd., Calgary, Alta.

R. R. Rabon, traffic manager, Campbell Taggart Associated Bakeries, Inc., Dallas, Tex., gives these reasons for the need of rate reductions to induce heavier loadings:

"Heavier loading means heavier inventories.

"Heavier inventory involves interest charges.

"Heavier inventory involves an element of risk on price decline.

"Heavier inventory on certain items is undesirable in certain seasons.

"Where team track deliveries are involved at destination, the incentive rate for heavier loadings should take the drayage into consideration."

"A 50% increase in load on manufactured products could conceivably increase shipper warehousing charges, capital investment, interest, and loss and damage claims, far more than any savings which could be offered to increase the minima by 50%," says E. H. Endroll, traffic manager, Hollywood Brands, Inc., Centralia, Ill.

Incentive volume rates "would tend to complicate our pricing," says Lee K. Mathews, general traffic manager, Missouri Portland Cement Co., St. Louis.

R. H. Heilman, director of transportation, A. O. Smith Corp., Milwaukee, feels that lower charges "would help on certain commodities, but on others a more realistic approach, based on what amount can actually be loaded in a car, is needed."

Frank Juranek, general traffic manager, Clark Equipment Co., Battle

Creek, Mich., says that "a 20% reduction in charges would effect a reasonable savings and would be a strong inducement for the shipper to increase his payload 50% as suggested in your proposition. The result would be a 20% increase in total revenue for a given car, which should more than compensate the carrier for the additional tractive effort of approximately 17% required for movement. These figures result from a light-weight of a box car at 60,000 lb plus the example of a 30,000-lb load being increased to 45,000 lb. This is further softened to the advantage of the carrier in the reduction of cost in the placement of cars for loading and delivery costs to consignee to the extent of the optimum of 33 1/3%. The maximum weight bracket needs to be flexible enough to allow leeway between maximum weight figure and car capacity in cube or weight measurement to give consideration to various bundling weights and sizes, machine weights, and sales unit volumes."

RAILROADING AFTER HOURS WITH JIM LYNE

VOTES vs. ECONOMICS—If the way to end a lot of unemployment is to force as much traffic as possible off railroads and onto trucks (as we noted, April 10, that a Texas trucker has proposed)—then why stop there? Why not force the traffic into covered wagons or even onto pack mules?—asks D. W. Adams of Pennsylvania. That would not only provide a lot more jobs for men, but would re-establish the mule business and re-create a big market for oats and hay.

Mr. Adams notes that the money government spends on highway and river contracts generates a lot of political power. No votes are generated by a railroad order for box cars, the way they are generated in a locality when a big government contract is placed there. What can railroads do to offset this handicap?

KINDS OF COSTS—At a time when professional confusionists are doing their best to bewilder regulatory and legislative understanding of the economics of competitive pricing in transportation, a benign Providence has decreed that Professor James Bonbright's "Principles of Public Utility Rates" should come along to dissipate the miasma.

Professor Bonbright, I am told, has been working on this book for two decades. While it is concerned primarily with the electric utilities, the basic economics involved is the same for railroad freight rates. The author makes clear the difference between marginal, out-of-pocket, and fully allocated costs—and indicates the conditions under which each is applicable. And the analysis is set forth in plain English, with no mathematics.

If railroad commerce lawyers and rate officers will familiarize themselves with Professor Bonbright's survey of this complex and important subject, they will be well fortified to meet the issues that are fast coming to a head.

FLUNKS FIRST FUNCTION—The primary functions of a system of rates for utilities (including railroads). Professor Bonbright explains, are four in number: (1) attracting capital into the utility business (including railroads); (2) rewarding efficiency and penalizing inefficiency in providing service; (3) restricting the demand for service to the quantity that can be profitably supplied; (4) transferring compensatory purchasing power from those who buy the service to those who provide it.

The first function—that of attracting a necessary inflow of new money—has been for many years inadequately performed by the system of railroad rates. We hear a lot about the difficulties other common carriers have in raising investment money, but actually they have no problem, because most of the capital they use is provided by a profligate public treasury.

FARSIGHTED OIL CO.—That Jenney Company of Boston (this corner in our April 10 issue), which is carrying on a newspaper advertising campaign to promote urban rail transit, is in the oil business, including gasoline. It is noteworthy enough that any private company would spend its money to engage in such a public-interest campaign—but the fact that the company is selling motor fuel makes its viewpoint all the more remarkable.

(Thanks to Southworth Lancaster of Cambridge and David Jones of Glencoe, Ill., for filling us in.)

Says Mr. Jones: "Jenney is advertising from conviction for legislative action that might, in the short run, cut its sales—but, if Boston is not improved in a number of ways, now, there will be a long-run decay. The firm's behavior is a refreshing example of the best in management ethics and courage."

THE TRAFFIC MANAGER

...top man in any move



On moving to a new location, or in present site expansion, the Industrial Traffic Manager is of invaluable aid.

As an expert in facilitating the flow of freight, his advice is important in determining his company's trackage needs, dock and storage requirements, loading and unloading equipment.

The Traffic Manager's recommendations not only help to solve problems in planning, but also contribute to time and money savings in the future.

With his growing scope of activities, including participation in plant expansion plans, today's Traffic Managers play an increasingly important part in the progress of our nation's most modern industries.

At the service of the Traffic Manager concerned with a move to a new location, Union Pacific provides many choice locations including the finest siding facilities, along the "U. P. line."



UNION PACIFIC *Railroad*

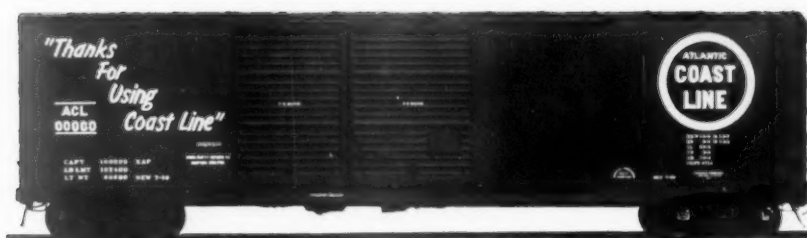


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box cars
rolled
into one

Incorporating the best features of scores of custom-designed cars, the ACF Production Design Box Car is engineered and built to highest standards of serviceability with all the economy of mass production methods. Like other cars in the ACF Production Design fleet, the Production Design Box Car helps railroads and shippers slash both initial and long-run rolling stock costs. Buy small lots at large-lot prices, simplify ordering procedures, reduce maintenance and enjoy quick delivery when you need it.

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Division of ACF Industries, Inc.
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THESE ACF PRODUCTION DESIGN FEATURES MEET RAILROAD'S MOST EXACTING SPECIFICATIONS

- Extra large outside and inside gussets, riveted to door post, side-sill and side-sill reinforcement, strengthen critical area at door openings.
- Edge of side sheet, at corner post, doubled to resist rivet tear under impact.
- Separate end-sill construction provides greater strength.
- Diagonal panel roofs and Dreadnaught ends by Standard Railway Equipment Manufacturing Co.
- Formed plate side-sill reinforcement welded to side-sill for greater strength.

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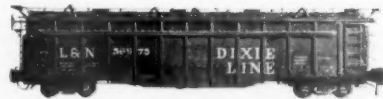
AIRSLIDE CARS



BULKHEAD FLAT CARS



COVERED HOPPER CARS



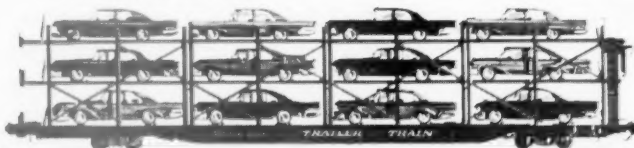
GONDOLAS FOR SHEET STEEL



PIGGYBACK EQUIPMENT



DAMAGE-FREE CARS



TRI-LEVEL AUTO CARRIERS

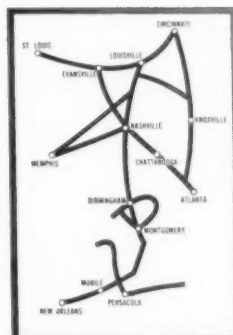
L & N has 4,000 *special* cars to safeguard your product. Though a major investment in rolling stock, these cars represent less than 7% of the L & N total of 60,000 modern cars, one of the nation's five largest fleets. This big fleet is designed to serve customers' needs more efficiently.

L & N special cars are custom-designed for the requirements of a particular type of lading. Increasingly popular with shippers are 600 Damage-Free cars, one-door and two-door, which are serving L & N customers so well that one large home-appliance manufacturer finds claims cut 75% by their use.

Match the nine most widely used L & N special cars shown above, with *your* specific requirements! Whether you manufacture glassware, precision instruments, packaged foods, or heavy machinery . . . virtually anything . . . you will ship more safely by L & N, one of the nation's great railroads.

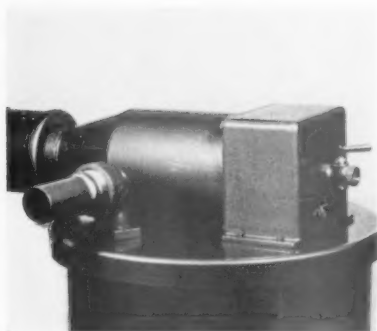
Claim costs will stay low. And your quality product will reach its destination speedily. Phone or write . . .

Freight Traffic Department, Louisville and Nashville Railroad, Louisville 1, Kentucky, JUniper 7-1121.



LOUISVILLE AND NASHVILLE RAILROAD

NEW PRODUCTS REPORT



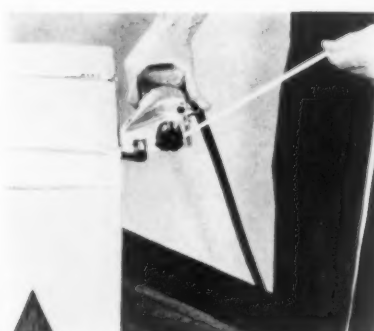
Vacuum Cleaner

The Northeast high-power ejector type vacuum, suitable for cleaning diesels, box cars, etc., fits 30- and 55-gallon drums. It operates on compressed air, has no moving parts, and will pick up almost anything that will pass through a 2-in. suction hose. It will pick up material such as sand at a rate of 4,000 lb per hr. or liquids at almost 6,000 gph. *Northeast Industries, Inc., Dept. RA, 282 Greenwood Ave., Midland Park, N.J.*



Manifest Holder

Weather-proof manifest holder for long-haul trailers and flat cars keeps documents neat, dry, and undamaged. Made of durable Neoprene, it remains flexible at -50° F. and eliminates tackiness at 150° F. It fits any wood, aluminum, or steel body and can be fastened with blind rivets, drive screws or wood screws. Mounting holes are molded on the sides. *Flexi Corporation, Dept. RA, P. O. Box 1242, Oakland 4, Calif.*



Strapping Tools

The Model AVN-1 mechanized pneumatic tensioner is a pusher type; Model AVN-2 is for large pallets and general use. Each handles all widths of Avistrap, a rayon packaging material, from $\frac{1}{4}$ to $\frac{3}{4}$ in wide. They weigh under 4 lb. Tensioning is predetermined. The material, it is said, does not snap. It can be cut with scissors or a penknife. *Industrial Packaging Dept., American Viscose Corp., Dept. RA, 1617 Pennsylvania Blvd., Philadelphia.*



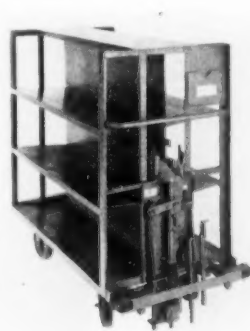
Handtruck

"Roller conveyor action" is the feature of the Handi-Truck which allows the load to be more easily loaded and unloaded than with conventional trucks. Closer stacking of cartons and boxes is possible with the truck, because loads do not have to be shoved by hand after unloading. The truck is built of electrically welded steel tubing and is fitted with ball-bearing rubber-tired wheels. *Southeastern Manufacturing, Dept. RA, P.O. Box 525, Waukesha, Wis.*



Mobile Floor Crane

The Hydro-Boom Walkie Model 135 is a counterbalanced floor crane that "will cut labor by 50% and allow for greater handling capacity." It is self-propelled and can make a complete turn in a distance equal to its own diagonal length. It can lift 3,000 lb with the hook 48 in. beyond the front edge of the platform and can be used in places not suited for overhead equipment. *Vanguard Mfg. Co., Dept. RA, 1908 E. 66th St., Cleveland 3.*



Automatic sWitch Cart

Patented mechanism, shown on a 1,500-lb capacity shelf truck, allows the truck to be dispatched to the desired location, where it will automatically switch from the dragline conveyor and accumulate for loading or unloading operations. Truck has shock-absorbing pushing bumper and tow pin. Up to 100-station selectivity is possible on a 32-inch-wide truck. *SI Handling Systems, Inc., Dept. RA, Box 70, Easton, Pa.*



PIGGYBACK now makes it possible for Florida citrus to be in New York markets 48 hr after picking.

How FGE Uses Reefer Trailers

► **The Story at a Glance.** Fruit Growers Express, the refrigerator car line owned by eastern and southern railroads, is now supplying owner roads with refrigerated trailers for Plan II piggyback operations. Latest deliveries have given FGE an ownership of 200 trailers for Plan II service, an equipment pool which is being operated and serviced in much the same way as the Fruit Growers refrigerator car fleet. For the first time, a private car line has become a major trailer owner.

When the Atlantic Coast Line "Piggyback Special" arrived in Richmond, Va., on April 16 with 76 Fruit Growers Express refrigerated trailers among the 89 trailers on board, the train was setting a new record for the FGE.

Never until this ACL train started north on its 1,220-mile, 33-hr run from Lakeland, Fla., to Kearny, N.J., opposite New York City, had so many FGE trailers been moved in a single train. Five months earlier there were only 50 trailers in the FGE fleet. Ownership has increased to 200 trailers, a figure

expected to remain constant for some months to come.

In July 1960, Fruit Growers' directors authorized entry into the piggyback field by acquiring semi-trailers for use by contract railroads. Decline in demand for the RS (ice bunker) type refrigerator cars for fresh fruit and vegetable traffic has been of concern to FGE for several years. Inroads of motor carriers operating under agricultural exemption have been pronounced in the area served by FGE contract railroads, primarily the territory east of the Mississippi River. Fruit Growers' RS car fleet has declined steadily. New cars placed in service recently have been primarily of the RB insulated bunkerless type and the RP mechanical type. FGE, like other refrigerator car owners, has no plans to build additional RS cars. The company's last such cars were 400 built in 1957.

Extensive studies involving Fruit Growers and six railroads handling fresh citrus between Florida and the east-coast metropolitan areas considered (1) ways of holding remaining citrus traffic on the rails and (2) methods for

recapturing lost traffic. Investigations developed that many shippers preferred the flexibility of truck transportation, but also desired the reliability and dependability of the railroads and refrigerator car lines. An obvious answer to the problem was for railroads to furnish these shippers the transportation they desired—pick-up of trailer-load shipments at origin, long-distance movement of these trailers by piggyback, and over-the-road delivery of the trailers at destination. In short, the railroads initiated a Plan II piggyback operation for this citrus traffic.

Fruit Growers acquired its first 50 refrigerated trailers for a pilot operation between Florida origins and the Baltimore, Philadelphia, and New York metropolitan areas. The participating roads, parties to an agreement with FGE, included the Atlantic Coast Line; Baltimore & Ohio; Florida East Coast; Pennsylvania; Richmond, Fredericksburg & Potomac; Seaboard Air Line; and Southern. Under Southern Freight Bureau Tariff 910, effective September 14, 1960, FGE trailers have been moving. (Continued on page 36)



and TOFC to Recapture Business



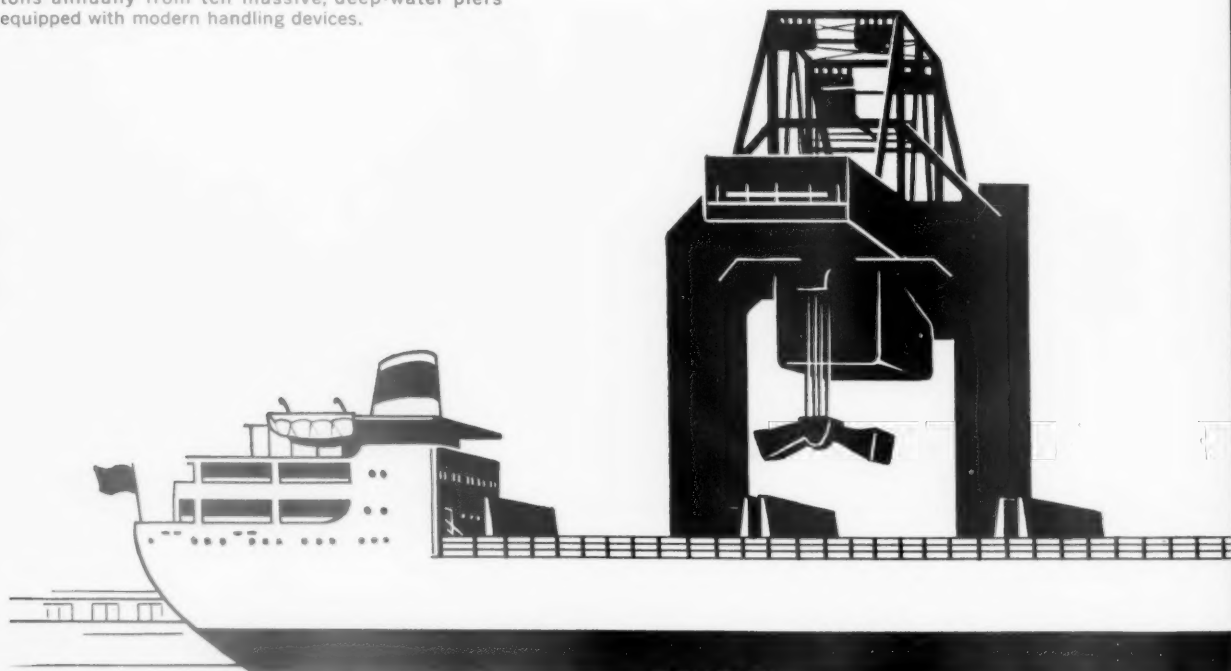
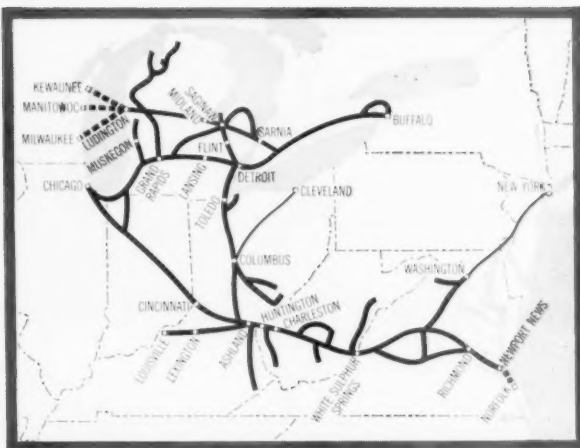
▲ **TRAILER INSPECTIONS** en route, and necessary servicing and fueling prior to loading, are responsibility of staff which does similar work on mechanical refrigerator cars. All trailers have underslung refrigeration units and 100-gallon fuel tanks.

◀ **CITRUS TRAFFIC** moving in FGE trailers is increasing steadily. Thirteen Florida areas have piggyback loading facilities where these loaded trailers can go on cars for northbound movement.

Skilled hands supervise at Chessie's own



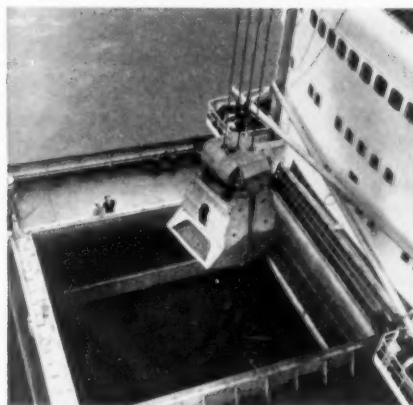
C&O's year-round world port can handle millions of tons annually from ten massive, deep-water piers equipped with modern handling devices.



your cargo Newport News, Va.

Planned and built by Chesapeake and Ohio Railway, the port of Newport News, on Hampton Roads, Virginia, offers outstanding export-import transportation benefits. From anywhere along The Chessie Route, merchandise can be under C&O's careful supervision right up to shipside. At Newport News: modern, efficient equipment to handle all types of cargo...over two million square feet of warehouse space...specialized export packing services at dockside for economy in overseas shipping, as well as savings between your plant and Newport News...no lighterage or drayage charges...quick car classification to speed your shipment on its way. And always prompt reporting by CLIC, Chessie's system-wide electronic Car Location Information Center, keeps you informed of your shipment's progress.

To find out how your export-import shipments can benefit from the outstanding facilities at Newport News, call your nearest C&O representative. C&O traffic offices are located in major cities from coast to coast and Canada to the Gulf.



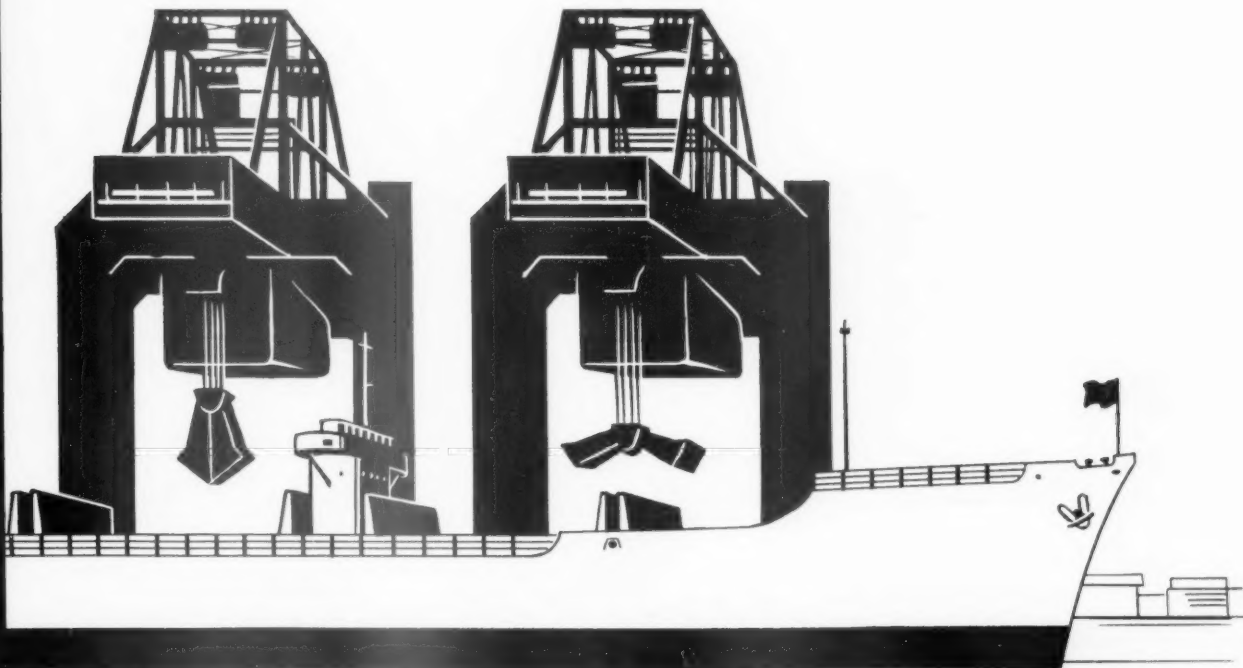
World's most modern and efficient bulk cargo facilities include three unloaders, which can work two vessels or handle two types of ore at the same time.



Chesapeake and Ohio Railway

TERMINAL TOWER • CLEVELAND 1, OHIO

Outstandability in Transportation



ing citrus products from these Florida origin points: Auburndale, Clearwater, Fort Pierce, Jacksonville, Lakeland, Lake Wales, Orlando, Sanford, Tampa, Titusville, Vero Beach, Winter Haven, and Winter Garden. All these origins—on the ACL, FEC, SAL, and Southern—have ramps for piggyback loading.

On October 3, 1960, the first FGE trailers moved north in this service. Before October ended, an order had been placed for 50 additional trailers. By the time deliveries of these brought FGE ownership to 100 units in January, a third order, for 100 trailers, was placed.

Utilization of this trailer fleet on the same basis as has been the practice with FGE refrigerator cars would almost inevitably mean empty southbound movements. From the beginning it was determined that, at the northern destinations, FGE trailers would be trip-leased to shippers and freight forwarders for Plan III southbound movement, or would be used under Plan II southbound tariffs. In practice, this arrangement has proved to be successful and profitable.

The northbound Plan II movement from any of the 13 Florida origins is based on a flat trailer-load rate for a 39,000-lb lading on a two-trailers-per-car basis. The trailer-load rate to Baltimore and adjacent areas, with both pick-up and delivery, is \$315. With pick-up at origin, and only ramp delivery at Baltimore, the rate is \$295. Rates to Philadelphia and New York are proportionately higher. In each case there is a mechanical refrigeration charge, when such service is specified by the shipper. A typical refrigeration charge, from Florida to a northern destination, is \$35. Contract roads pay a per diem charge for the trailers and are allowed a two-day holding period at the completion of each trip. The trailer can then be returned to the FGE pool for assignment by FGE car distributors.

The solid northbound piggyback trains recently inaugurated by the Seaboard and the Coast Line have greatly increased the demand for FGE trailers. The trains over both roads are handling Plan I, Plan II, and Plan III movements. While each road is presently operating a solid piggyback train once weekly, traffic growth indicates that each might shortly be offering more frequent service. North of Richmond, each train is handled by the RF&P and the PRR.

The Seaboard's piggyback train, inaugurated last January 24, leaves Auburndale, Fla., at 5 p.m. Tuesday and is scheduled to arrive in Kearny, N.J., at 2 a.m. on Thursday. The Coast Line

train, leaving Lakeland, Fla., at 5 p.m. each Saturday and scheduled for a 2 a.m. Monday arrival in Kearny, was placed in service January 7. Both trains carry only piggyback traffic and will handle trailers only for the Washington, Baltimore, Philadelphia, and New York City areas.

The Seaboard train picks up additional TOFC loads at Wildwood and Baldwin, Fla.; Savannah, Ga., and Hamlet, N.C. The train, limited to 70 cars and powered by passenger locomotives, is serviced only at Wildwood, Hamlet, and Potomac Yard. It has been handling an average of 35 FGE trailers each week.

The weekly ACL train, after leaving Lakeland, makes stops to pick up additional loads at Orlando, Palatka, and Jacksonville, Fla. Diesel locomotives are assigned so the train can be operated at maximum authorized speeds on its entire run but there is no car limit. The train is serviced at Jacksonville, Florence, S.C., and Potomac Yard.

Other piggyback loads move north daily in regular manifest trains over these two roads and in similar trains of the other contract lines. SAL reports its Tuesday-only train is currently moving about half the road's northbound piggyback traffic.

Growth of traffic handled in FGE trailers is indicated by the following weekly record of total trailer loads moved during 1961, including all northbound and southbound, and all Plan II and Plan III movements:

Week ended	Total trailer loads	Trailer ownership
Jan. 7 ...	45	86
Jan. 14 ...	65	86
Jan. 21 ...	69	86
Jan. 28 ...	89	100
Feb. 4 ...	81	100
Feb. 11 ...	87	100
Feb. 18 ...	80	100
Feb. 25 ...	88	100
Mar. 4 ...	83	100
Mar. 11 ...	89	107
Mar. 18 ...	104	126
Mar. 25 ...	124	159
April 1 ...	109	182
April 8 ...	145	200
April 15 ...	178	200

During loaded movements over contract railroads, the trailers are under the care of FGE service personnel—an organization with more than 40 years' experience in protecting perishable freight shipments. All pre-trip inspection,

fueling, and en route inspections are made by the regular FGE mechanical forces which are responsible for doing similar work on mechanical refrigerator cars.

Overall supervision of the utilization and assignment of these trailers is handled by the car service office in FGE's Washington, D.C., headquarters where a special trailer group has been established. Actual distribution is handled by the district car distributors' offices along with the assignment of refrigerator cars.

FGE trailers have been purchased from Great Dane, Fruehauf, Rivers, Strick, and Trailmobile. All are high-cube models with underslung mechanical refrigeration units. All have aluminum shells with steel undercarriage. They are 12½ ft high, 8 ft wide, and 40 ft long. Equipped with 6 in. of insulation throughout, they have extruded aluminum floors and interiors lined with plastic coated plywood. Vertical strips, approximately 8 in. center-to-center, are mounted on interior walls for air circulation around the lading. There are four vents—two in the upper front and two in the lower rear.

Mechanical refrigeration systems are diesel-powered units manufactured by Thermo-King and Transicold. They carry approximately 100 gallons of diesel fuel, sufficient to travel from Florida origins to destinations in the New York area without refueling.

All trailers are equipped with odometers to produce a mileage record. There is a neoprene plastic holder on the front of each trailer for the log book in which records of trailer servicing and handling are made. FGE trailers cost almost \$15,000 each, and the car line now has a \$3,000,000 investment in trailers.

In addition to the 200 general service trailers, FGE recently acquired 35 mechanically refrigerated trailers equipped with meat rails. These 35-ft units are operated under long-term lease, handling meat from the midwest to the eastern seaboard.

FGE feels it is now beyond the pioneering stage in the ownership and servicing of piggyback equipment and anticipates rapid growth in number of units both for general service and for lease purposes. It is contemplated that, as additional trailers become available, their use will be expanded both geographically and by type of commodity handled. At the present, in addition to citrus fruit, tariffs either have been published, or are being prepared, covering the handling in Plan II service of frozen citrus juice concentrates, meats, poultry, and other commodities.

Shippers' Guide

Baltimore & Ohio

... *Cushion Cradle Flat Cars*

Has received 25 85-ft TTX cushion cradle flat cars capable of handling two demountable truck bodies in territories of close clearance.

Chicago & Eastern Illinois

... *New Address*

New address of general offices is 646 Chicago Road, Chicago Heights, Ill. Included in the move are all accounting offices, the Purchasing Department, and all offices formerly at 332 S. Michigan Ave., Chicago, except the Coal Traffic Department, Sales Office, and Reservation Bureau. Coal Traffic and Sales remain at the old address; the Reservation Bureau is at 55 W. Roosevelt Road.

Detroit, Toledo & Ironton

... *New Piggyback Facility*

Placed in service an additional piggyback loading facility at Trenton, Mich. This gives DT&I two piggyback ramp areas serving Metropolitan Detroit and Down River. Also established rates and routes to New England Territory, New York, New Jersey, the Philadelphia and Baltimore areas, and the Southern and Southeastern territories. An additional service has been inaugurated to East St. Louis, Ill.

Fruit Growers Express

... *Citrus Piggyback*

Is moving Florida citrus to Baltimore, Philadelphia, and New York in 200 refrigerated highway trailers which are handled under Plan II over ACL, B&O, FEC, GS&F, PRR, RF&P, SAL, Southern, and T&G. Additional trailers are expected to open up new areas and handle other commodities. In addition to fresh citrus (Southern Freight Bureau Tariff 910), tariffs have been published or are in preparation for frozen citrus juice concentrates, meats, poultry, and other commodities. (See page 32.)

Kansas City Southern

... *Through Trailer Service*

Now provides through trailer service between Eastern seaboard points on the Reading Transportation Co. and the New England Transportation Co. and points on the KCS and L&A in Louisiana and Texas. Inland movement of trailers is handled by the KCS-L&A between New Orleans (Belle Chasse) and inland points by TOFC and highway operation.

Louisville & Nashville

... *New Connections*

Has established connection with the
(Continued on page 38)

YOCAR

1,000 CLASSIC EXAMPLES



THESE 1,000 HOPPER CARS make 1000 classic examples of heavy repair work by YOCAR. These 70-ton Nickel Plate cars have been tailored and fitted by YOCAR engineers — men of imagination . . . men of experience . . . and men who perform with the highest standards of quality and workmanship.

More than 40 years of railroad experience have given YOCAR the answers for doing the job faster and better at lower cost.

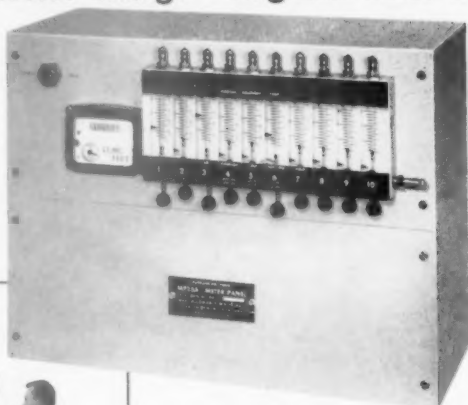
Write today for a free copy of the YOCAR "Railroads" folder on railroad products, components and car repairs.

YOCAR
YOUNGSTOWN STEEL CAR CORPORATION
NILES, OHIO

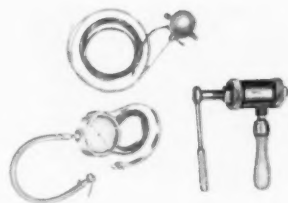
PRESSURIZE YOUR CABLES

—to minimize service outage—lengthen cable life

Metering Panel of the PUREGAS Continuous Feed Pressure System. From a convenient central location it monitors, measures and distributes the flow of dry air to the cables.



Air Dryer of the PUREGAS system. It compresses and pumps air to a tank for storage cooling, preparatory to dehumidification and delivery to cables. Air Dryers and Metering Panels are products of Puregas Equipment Corporation.



GENERAL MACHINE PRODUCTS accessories. Pressure Testing Contactors monitor pressure and detect leaks. Pressure Testing Gauges measure pressure precisely. Pressure Guns make pressure plugs. These and associated tools are made by General Machine Products Co.

Pressurize your communication cables with dry air supplied through PUREGAS equipment. It is a practical, well proved way to minimize cable failure, trim upkeep costs and lengthen cable life. PUREGAS equipment feeds a continuous supply of dry air to cables to keep moisture from reaching conductors, whether cables are old or new.

Use GENERAL MACHINE PRODUCTS accessories to quickly pinpoint location of sheath breaks or cracks so that repairs can be made *before* service failure.

All equipment is distributed nationally by Graybar. For descriptive folders phone your nearby Graybar Representative, or write directly to Graybar.

100,000 electrical items are distributed throughout the nation...



via
Graybar

GRAYBAR ELECTRIC COMPANY, INC., 420 LEXINGTON AVENUE, NEW YORK 17, N. Y.
OFFICES AND WAREHOUSES IN OVER 130 PRINCIPAL CITIES

(Continued from page 37)

Monon at Louisville for second-morning delivery from Chicago to such cities as Memphis and Nashville, Tenn., Birmingham, Ala., and Atlanta, Ga. Monon's train No. 71 meets L&N's train No. 73 to make the connection.

Santa Fe

... LCL Abolishments

Has abolished LCL cars moving Chicago to Phoenix, Ariz., and Chicago to Galesburg, Ill.

Traffic Publications

CANADIAN PORTS AND SHIPPING DIRECTORY—1960 EDITION. Over 300 pages. The Canadian Industrial Traffic League, Miss B. Hannan, Librarian, Dept. RA, 20 Bloor Street, West, Toronto 5, Ont. \$7.50.

Includes St. Lawrence Seaway navigation regulations and tariffs; Canadian shipping regulations; customs and excise; directories of shipping companies, brokers, agents; index to ports in Canada and on the Great Lakes. Due to the opening of the St. Lawrence Seaway, changes in port and general information between the 1959 edition and the current issue amount to about 40%.

GLAS-CUSHION. 4 pp.; illustrations. Fibrous Glass Products, Inc., Dept. RA, Alpa Plaza, Hicksville, N. Y.

Describes "GLAS-cushion," which is made of resilient padding fabricated of very fine glass fibers held firmly together with plastic resin. The bulletin shows several applications of formed sections, which can be molded to shape in the packing department. Includes full specifications.

SG-7. Safety guide pamphlet. Manufacturing Chemists' Assn., Dept. RA, 1825 Connecticut Avenue, N. W. Washington 9, D. C. 20¢ a copy.

Covers recommended safe practices and procedures for storage and handling of shock and impact sensitive materials, other than those classified as explosives.

Dividends Declared

ALGOMA CENTRAL & HUDSON BAY.—6% preferred, 75¢, quarterly, payable June 1 to holders of record May 15.

LITTLE MIAMI.—Special stock, 50¢, quarterly, payable June 10, Sept. 9, Dec. 9 and March 10, 1962, to holders of record May 17, Aug. 17, Nov. 17 and Feb. 16, 1962, respectively; \$4.30, orig. stock, \$1.10, payable June 10, Sept. 9, Dec. 9 and March 10, 1962, to holders of record May 17, Aug. 17, Nov. 17 and Feb. 16, 1962, respectively.

NORFOLK & WESTERN.—4% adjusted preferred, 25¢, quarterly, payable May 10 to holders of record April 20.

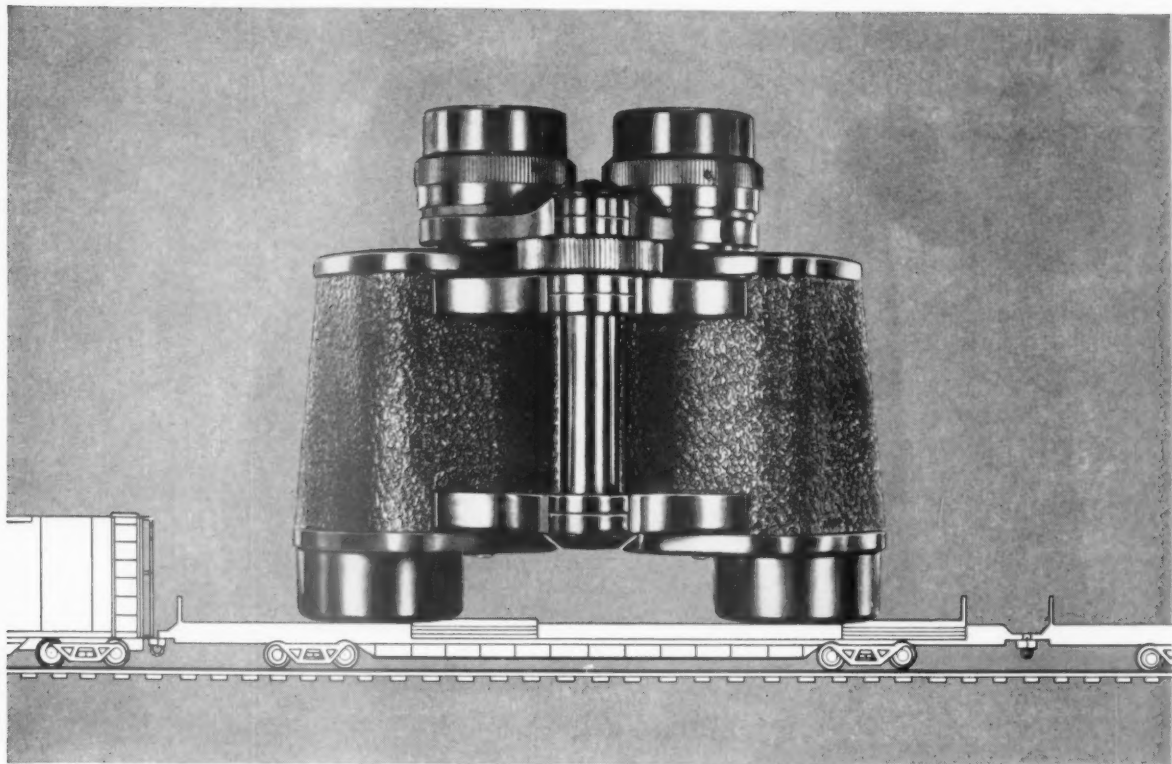
SEABOARD AIR LINE.—40¢, reduced, paid March 22 to holders of record March 17.

TEXAS & PACIFIC.—\$4, annual, payable June 30 to holders of record June 9 (stockholders were given the option to take the dividend in cash or stock).

VERMONT & MASSACHUSETTS.—\$3, semiannual, paid April 7 to holders of record March 28.

WESTERN PACIFIC.—25¢, quarterly, payable May 15 to holders of record May 1.

WHEELING & LAKE ERIE.—common, \$1.43¾, quarterly; 4% prior lien, \$1, quarterly, both payable May 1 to holders of record April 7.



service with the long-range view

While each of your freight shipments is solicited on a keenly competitive basis, Seaboard looks beyond the temporary advantage of securing a particular shipment. We consider it an opportunity to show you how, by *consistently* routing S.A.L., you can realize *year-in-year-out* shipping satisfaction.

With this long-range view, it stands to reason we'll do our best so that next time and the time after that you'll ship our way again. We've gained many friends over the years through giving personal, interested attention to what our shippers need and expect. We want to earn *your* friendship, too.

Take the *long-range* view with us and let us prove our point.



*Fast TOFC service
available between Seaboard
points and the North.*

SEABOARD
AIR LINE
RAILROAD



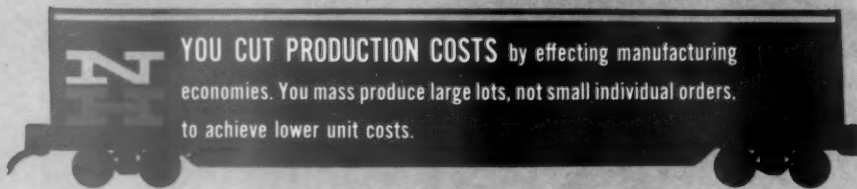
THE ROUTE OF COURTEOUS SERVICE

SURPR

How much you cut costs and step-up efficiency with New Haven Railroad's new incentive rate program

Volume freight shipment combined with local warehousing achieves the distribution pattern that gives DM*, SM*, and GM*, these 3 important benefits:

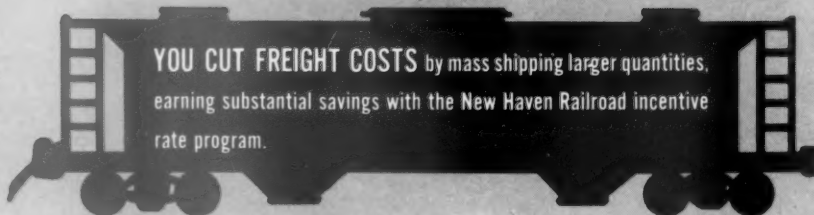
1



YOU CUT PRODUCTION COSTS by effecting manufacturing economies. You mass produce large lots, not small individual orders, to achieve lower unit costs.

NOTE
TO
TM*
OR
DM*

2



YOU CUT FREIGHT COSTS by mass shipping larger quantities, earning substantial savings with the New Haven Railroad incentive rate program.

NOTE
TO
SM*

3



YOU CUT DELIVERY TIME with your product available for immediate shipment from local warehouse. A big plus powerful selling tool for your salesmen when they can say "Our products are in stock in local warehouse for immediate delivery."

NOTE
TO
GM*

All this adds up to a far more efficient manufacturing and distribution operation for your company. Talk to your New Haven District Traffic Agent today. He's ready to work with you, without obligation.

ISING!

You know the substantial values derived by strategic spotting of product stocks throughout the country. This is the most effective kind of distribution.

You will fast recognize that your company may be able to establish stock spots with virtually no additional distribution cost. Look at it this way: If storage charges are so-much per unit, 100 small stocks—always providing carload freight advantages, particularly New Haven Railroad incentive rates, where applicable, are maintained—stored in 100 different locations may cost no more than a far smaller number of huge stock loads. As an expert in distribution, you recognize that the decentralized distribution set-up of such spot stocks insures fresh and complete stocks as needed, where needed, and when needed.

Most important is that these stocks are stored in the proper locations and warehouses. As your company DM, it will be your decision where stocks are to be spotted, and the volume of goods to be shipped into each market.

What a sales advantage you get with a decentralized distribution system. With stock in local warehouses, you give your customers fast deliveries to insure fresh and complete inventories for your dealers, or materials and tools when needed in industrial plants. This could mean wide distribution and increased sales.

You know the sales clincher it is to tell a dealer or retailer that he can handle your product, yet carry only a small inventory. In fact, local warehousing for immediate delivery has proven a powerful sales tool in the industrial as well as consumer goods field.

There are other important sales advantages, too. With your product immediately available, you can avoid large open accounts and eliminate consignment selling. For your distributors and dealers get their goods on short notice. You can achieve wider distribution in greater depth, for dealers need carry only a small inventory, and thus are more likely to offer your complete line.

You are for the distribution plan and program that will cut costs and step up efficiency.

If your sales volume in any market—within the minimum permissible warehousing period—is greater than the minimum weight on which a carload rate can be obtained, you show an immediate dollars-and-cents gain in carrying warehoused stock. With the New Haven Railroad's new incentive rates, this dollars-and-cents gain may now become even greater.

When warehousing handling and storage charges plus interest on the investment in stock accumulates to the total equal to the difference between less-carload and carload, or incentive, rates, the break-even warehousing point has been reached.

To this differential, however, you should add economies achieved by continuing mass production, which may in effect cut unit costs substantially, and thus greatly extend the warehousing break-even point.

Of course, you will place your spot stocks in centers offering good storage facilities plus fast and economic reshipment to your customers. All over the U.S., and particularly in the New England area served by the New Haven Railroad, you find an excellent network of public warehouses. These warehousing specialists will receive, hold and redistribute your spot stocks very satisfactorily. They give you extensive and expert service; actually act as a branch-house capacity for your company, providing everything needed for efficient and economical local distribution.

Your basic concept in planning these strategic spot stocks is to keep your shipments to these warehouses as large as possible to earn lowest freight rates, particularly the New Haven Railroad volume incentive rates.

We are at your service to work with you in setting up your volume shipment-warehouse distribution program. Call us, without obligation.

You improve customer relations by providing speedy service from your well-spotted stocks. No need for local shipments to distant customers—shipments that are costly and subject to delays.

You also meet competitive situations that demand immediate deliveries from local warehouse stock. For you know that many of your customers do not anticipate their requirements. When out-of-stock on your product, they can't or won't wait for shipments, but buy locally, and often a competing brand. If retailers put competitor's products on their shelves, or industrials put a competitive component into production, your failure to have local stocks has opened the door to competition. This can really hurt your sales!

That is why you, the SM, have a real stake in working with your DM to achieve a decentralized distribution pattern. With the New Haven Railroad incentive rate program, this pattern may not only help you increase sales, but actually cuts your cost-per-sale, as well!

Your DM can work out the volume freight rates and locate the public warehousing that achieves the distribution pattern which enables you to ship and store at optimum economy. This pattern reduces your investment in plant warehouse space, delivery equipment and labor costs.

Your company comptroller will be interested in the use of local warehousing, since it places your stored goods where they can be used as specific collateral for bank loans. This type of financing has become an established part of modern business procedure, particularly since the adoption of the Uniform Warehouse Receipts Act.

From the standpoint of your SM, this distribution pattern places complete stock, ready for immediate local delivery—a powerful selling tool!

Accordingly, consultation with your DM and SM may well prove that use of volume freight shipments, combined with a decentralized system of local warehousing, is both economical and highly desirable for your company.

*TRAFFIC MANAGER *DISTRIBUTION MANAGER *SALES MANAGER *GENERAL MANAGER

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For shipping buds



or spuds



or collar studs

**The better way
is Santa Fe**

No matter what you ship
call the nearest Santa Fe
Traffic Office and let the
"railroad that's always on
the move toward a better
way" go to work for you.



Letters from Readers

Silicon Rectifier 'First'

Philadelphia, Pa.

To the Editor:

The statement on page 36 of the April 10 *Railway Age*—that the nation's first silicon-rectifier-equipped car will go in service soon on the New Haven—is incorrect. A silicon rectifier on PRR commuter car No. 155 was placed in service on April 1, 1961.

J. P. Newell

Vice President Operations
Pennsylvania Railroad

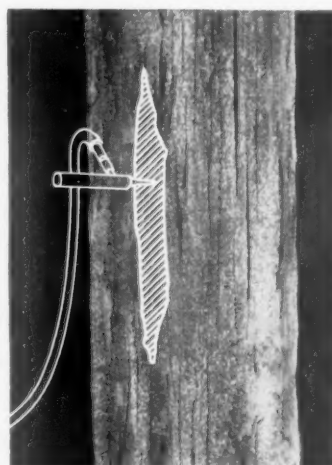
(Silicon-rectifier equipment has been applied to one of the Pennsylvania's Pioneer-type multiple unit commuter cars. These cars were originally built with ignitron vacuum tube rectifiers. The experimental silicon-rectifier has been substituted because of its relative simplicity. The newer type obviates the cooling problem which requires a water supply, water pumps, radiators and, in the winter, anti-freeze. The rectifier, with 56 diodes, is mounted in front of the air intake for traction motor cooling. It contains no moving parts. Overhead current at 11,000 volts a.c. is transformed to 780 volts a.c. and fed into the rectifier which converts the power to 650 volts d.c. for the traction motors. The rectifier has been supplied by the Westinghouse Electric Co. and was installed by PRR forces at the Paoli car shops. It made its first run on train No. 344 at 2:10 p.m. April 1 and thus becomes this nation's first, going into service just prior to the New Haven car. A second car will be equipped next month. If the silicon-rectifier is successful on these two installations, it will be applied to the PRR's 66 new electric locomotives, which have been designed to permit an easy changeover. —Editor.)

NP Employee-Stockholder Launches Merger Fight

A Northern Pacific trainman, who owns 16 shares of the railroad's stock, has begun a proxy fight opposing the Great Northern Pacific & Burlington merger proposal. He suggests instead a spin-off of NP's oil and timber properties and, as an "alternative plan to merger," sale of a new issue of stock to employees and residents of on-line communities. Proceeds of the stock sale would be used for improvements.

NP says that studies have proven a spin-off "not feasible" and that "the conclusion was reached that our stockholders would be better off, from the standpoint of protection of earnings and dividends, under the plan of unification."

**Now You Can
SAVE THIS
PILING**
at
MINIMUM COST

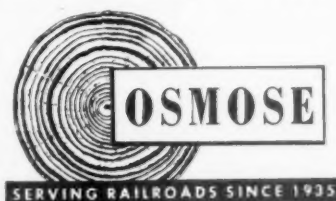


**...with OSMOSE
HOLLOW HEART
TREATMENT**

The secret is flooding the cavity with a highly concentrated, special 24-12 penta solution to refusal under pressure. Decay is stopped cold. Your pilings remain sound and safe for years to come. No other method can match it.

OSMOSE Inspection and Treatment of in-place bridges and trestles is a thorough "top-to-bottom" operation. Pilings, framing, caps, stringers, ties, guard rails and underdecking are carefully checked. Drift pins, brace bolts and hard-to-get-at places are given extra attention with special OSMOSE-developed techniques.

Cost studies show that the OSMOSE in-place treatment averages between 1/20th to 1/40th the cost of replacement... actually pays for itself within the first 8 months of extended life. Get the facts on the quickest way to save money in today's railroad operation. Write: Bridge Inspection and Treatment Division, Osmose Wood Preserving Co. of America, Inc., 981 Ellicott St., Buffalo 9, N.Y.



Transit: Whose Responsibility?

► **The Story at a Glance:** A two-day mass-transit seminar in Chicago concluded that future metropolitan "circulation systems" should utilize existing transit arteries, both rail and highway, and use new and improved designs in equipment and facilities to minimize total costs.

The seminar stressed the urgency for "holding action" to preserve rail commuter services while regional authorities—responsible and responsive to local interests—implement long range plans for metropolitan mass transit.

Panelists failed to agree on the legality or practicality of diverting highway funds to financing rail rapid transit, but did agree that charges for transit systems should be allocated to all units of government—municipal, county, state and federal—according to the benefits derived.

Special Presidential Assistant James M. Landis told a Railway Systems and Management Association seminar that the solution of the problem of mass transit "is necessary to preserve the economy of our major cities. The solution must come from affected communities with help from every government agency that has a stake in them."

The two-day seminar, "Getting Tomorrow's Transit Today," provided a forum for municipal, state and federal administrators, transportation executives, planners and suppliers who tried to pinpoint responsibility for planning and financing the transit systems required to serve the growing population of major cities.

In a telephone hookup from Washington, D.C., Senator H. A. Williams (D.—N.J.) told the Chicago meeting that it is necessary to "rid ourselves of archaic thought—stimulate local planning and create a climate favoring mass transit at the federal level."

The author of the Williams Urban Renewal and Mass Transit Bill (S. 345) called mass transit "one of our largest remaining problems." He predicted that a Department of Urban Affairs would be created this year and said that under his bill the federal government would finance experimental development of new types of rail equipment.

"What is involved is nothing less than the survival of our cities," said Maxwell Lehman, deputy city administrator, City of New York. "If this involves tax abatement or forms of subsidy, or the creation of regional transportation bodies to supervise, control—or in some cases own and operate—transportation facilities, then we must

face the necessity of applying these devices."

Projecting population figures of major metropolitan areas over the next fifteen years, Mr. Lehman said: "It is kindergarten stuff to talk of preserving our mass transit facilities. We must think of building transportation systems of such magnitude as we have not dared heretofore to envision."

Does the municipality benefit from an efficient rapid transit system? Mr. Lehman said the \$100-million subsidy New York City provides its transit system may be the city's "biggest bargain."

"Every time we have extended a subway line, real estate values along the route have risen. The city's tax revenues have risen as well, enabling us to provide more services for the city's people," he said.

"One thing is certain—it will, in the end, cost a lot more if we permit our mass transit facilities to die than if we act now to preserve and extend them."

Mr. Lehman accused the railroads of being "enmeshed in a death-wish. Some of the roads have simply abandoned the American tradition of free enterprise. I am not convinced that the grave is ready for the railroads. People will use a service that is made attractive, comfortable, clean and fast."

Local Tasks Outlined

Philadelphia Mayor Richardson Dilworth, in a speech prepared for the RSMA seminar, said that the responsibility of the local community in achieving the type of transportation it needs includes:

- Developing its own plan for transportation and land use with the knowledge that transportation, more than any other field, affects the suburbs as well as the city.

- Design or participate in designing the main transportation arteries to serve the whole region.

- Be prepared to pay a substantial part of the transportation facility costs for both highways and transit from general revenues.

- Band together with the suburbs to obtain state and federal assistance. "We must preserve our existing railroads," said Mayor Dilworth, "as they are the most economical means except subways for bringing people into our central cities. The rights-of-way and the service which tie our older residential areas to the central business district are too important to be allowed to decay further."

Elkins Wetherill, president of the

Montgomery County (Pennsylvania) Commissioners, said the question of administering mass transit "does not involve adding a new layer or kind of government in our structure. The problem facing us in urban and suburban areas is to find further innovations in government which will accommodate our new problems."

"We must find a way to preserve local control of land use and, at the same time, find a way to integrate local land use policy into a regional transportation plan. No unit of government is more interested in controlling land use than local government. Yet, land use would be a key factor in the considerations of a super-agency that has been delegated the authority and responsibility for implementing mass transit."

Mr. Wetherill cited the Penn-Jersey Transportation Study—representing ten municipalities in a two-state area and deriving 90% of its budget from the federal government—as the type of agency that could make and implement regional transit decisions. Penn-Jersey members are drawn from all participating government units and "at least the elements of responsiveness and responsibility would be retained in the hands of the elected officials who can and should be held accountable for decisions affecting the public welfare."

A six-point program for providing the best total transportation system at the least total cost to the public was outlined by W. W. Patchell, vice president special services, PRR. He suggested:

- Recognition of the problem at all levels of government.

- Regional transportation organizations responsible for planning and financing total passenger transit systems for urban areas.

- Contracting by the Regional Group for suburban rail services as an essential part of the total system.

- Financing of new equipment and facilities by the Regional Group.

- Relief for railroads from state and local taxes and from financing grade crossing protection and elimination.

- Uniform regulation, promotion and development for all forms of transportation.

"Suburban rail services are no longer the responsibility of private enterprise," said Mr. Patchell. "They have become a public service. Private enterprise cannot afford to subsidize metropolitan areas by continued operation of these services under present conditions."



C. G. Kersey
Burlington



I. Robert Ballin
C&NW



W. D. Dickie
CPR



Bert E. Gregory
D&RGW

People in the News

BALTIMORE & OHIO.—Effective May 1, the executive and fiscal offices of the B&O will be located at 1 Chase Manhattan Plaza, Rooms 3711-17, New York 5. The present office at 2 Wall Street will be closed as of April 28. **J. S. Hyman** is assistant treasurer and **W. H. Carle**, transfer agent, at New York.

BURLINGTON TRUCK LINES.—**J. J. Aims**, president, elected to the additional post of chairman of the board, succeeding **F. E. Sperry**, retired (RA, April 10, p. 33). **C. G. Kersey** elected executive vice president, Chicago. Mr. Kersey was formerly executive assistant, Fort Worth & Denver, Houston.

CANADIAN NATIONAL.—**I. A. Nattress**, assistant transportation engineer, Winnipeg, Man., appointed transportation engineer, Prairie region, at that point. **R. H. Conaty**, engineer superintendent, appointed marine service assistant at Montreal, with responsibility, as headquarters staff officer, for all marine service matters formerly handled by **J. A. Sauve**, general manager railway marine service, who has been assigned to special duties.

S. F. Leon, assistant to vice president and general manager, Moncton, N.B., named trainmaster, Fredericton, N.B.

CANADIAN PACIFIC.—**W. D. Dickie**, assistant chief of motive power and rolling stock, Montreal, appointed chief of motive power and rolling stock there, succeeding **Leo B. George**, retired (RA, April 17, p. 48).

CHESAPEAKE & OHIO.—Abolished position of assistant to superintendent power and car utilization, Russell, Ky., formerly held by **I. H. Richards**, now retired.

Clayton C. Carter and **R. L. Puthoff** appointed superintendents of costs at Huntington, W. Va., and Detroit, Mich., respectively.

CHICAGO & NORTH WESTERN.—**Kendall Cady**, vice president in charge of real estate, resigns May 1, and his former position will be abolished. **I. Robert Ballin**, director of real estate sales, named to the newly created position of director of real estate.

The following master mechanics have been relieved of the responsibility of the Car Department in their respective territories and their jurisdiction changed to cover motive power matters only: **A. A. Enders**, Chicago; **H. K. Cox**, Clinton, Iowa; **H. H. Magill**, Milwaukee; **M. R. Spencer**, Green Bay, Wis.; **L. N. Haskins**, St. Paul; **J. E. Brehm**, Minneapolis (Cedar Lake). The following named district general car foremen: **D. F.**

Dilgard, Chicago; **W. N. Larson**, Proviso, Ill.; **E. S. Spafford**, Minneapolis; **C. A. Stark**, Milwaukee; **M. L. Swain**, Council Bluffs, Iowa.

James H. Aase, formerly a geologist with Pickands Mather & Company, Duluth, appointed geologist in the agricultural and resource development department, C&NW, Chicago.

DENVER & RIO GRANDE WESTERN.—**Bert E. Gregory**, executive representative, appointed director of public relations.

ERIE-LACKAWANNA.—Effective May 1, **Harry C. Schmidt**, vice president—system sales, with jurisdiction over all freight and passenger sales matters, will be located at 140 Cedar Street, New York 6. Mr. Schmidt was formerly at Cleveland, Ohio. The following will move from 50 Church Street, New York 7 to the consolidated traffic sales offices at 140 Cedar Street, New York 6: **G. W. Madson**, freight traffic manager; **W. C. Otten**, general foreign freight traffic manager; **E. C. Ennis**, foreign freight traffic manager; **P. W. Johnston, Jr.**, freight traffic manager—piggyback; **H. F. Doyle**, freight traffic manager; **D. L. Norton**, freight traffic manager; **E. W. Keiley**, assistant freight traffic manager; **L. F. Heineck**, eastern coal traffic manager.

Owen P. McKeever appointed district sales manager, New Haven, Conn., succeeding **George T. Dolan**, who retires April 30.

Lloyd D. Thomas promoted to freight claim agent, Cleveland, succeeding **Frank V. Keller**, retired.

Effective March 1, the E-L Industrial Development department, Eastern district, located at 115 Observer Highway, Hoboken, N.J. (combining old offices at 50 Church Street and 140 Cedar Street, New York).

GRAND TRUNK WESTERN.—**F. S. Hutton**, engineer maintenance of way, Great Lakes region, appointed assistant chief engineer, Detroit.

MODESTO & EMPIRE TRACTION CO.—**Gene O. Ellison** appointed traffic manager, Modesto, Calif. Mr. Ellison previously served with the Santa Fe.

NEW YORK CENTRAL.—**W. L. O'Connor** appointed general supervisor locomotive maintenance, New York.

NORFOLK SOUTHERN.—**Arthur J. Winder**, vice president and general counsel, Norfolk, Va., will retire May 3, at his own request.

PENNSYLVANIA.—**R. C. Clark** appointed of-

fice engineer, communications and signals, **L. W. Hayhurst**, assistant engineer, communications and signals, and **J. A. Moore**, supervisor, communications and signals, all at Chicago.

SEABOARD.—Freight station facilities in Charlotte, N.C., will be moved April 28-29 from 228 East Fifth Street, to a new building on Lawton Road about 200 yards east of its intersection with North Carolina State Highway No. 16. **Robert S. Lockhart, Jr.**, is assistant freight traffic manager in Charlotte. **J. F. Hildreth** is freight agent.

C. H. Butcher, general supervisor of yards and terminals, Hamlet, N.C., retires May 1.

SOUTHERN.—**J. T. Bolling** appointed auditor for computer accounting, Atlanta, Ga. **M. T. Timmons** named chief analyst there.

TERMINAL RAILROAD ASSN. OF ST. LOUIS.—**Frank G. Wherry**, comptroller and assistant secretary, elected secretary, succeeding **W. E. Howald**, retired (RA, April 3, p. 28).

WABASH.—**F. T. Schmidt**, trainmaster, Chicago, appointed assistant to superintendent transportation.

WESTERN PACIFIC.—**Fred A. Tegeler**, budget control officer, San Francisco, elected assistant secretary and assistant treasurer.

OBITUARY

Nathaniel L. Waterman, 69, retired general superintendent of the Chicago freight terminal, Chicago & North Western, died April 16 in Chicago.

R. Y. Wallace, retired general auditor, Clinchfield, Erwin, Tenn., died April 7.

Supply Trade

Booz, Allen & Hamilton, management consulting firm, has announced formation of an associated corporation, **Booz, Allen Methods Service, Inc.**, industrial engineering consultants. The new company will provide specialized consulting services to increase profits through improved productivity and utilization of personnel, facilities, materials and equipment. The company will serve clients primarily in railroads, utilities, manufacturing, banking, insurance and non-profit institutions. Initially, the corporation is opening offices in New York, Chicago and Los Angeles.

Johnson Rubber Co. has appointed three representatives to cover railroad markets. **Fred W. Holstein Co.**, Hopatcong, N.J., has been named VulcaBond representative, Eastern United States; **W. A. Blackford Co.**, San Francisco, Pacific Coast representative; and **Western States Supply Co.**, Omaha, Neb., Central-West area.

Gail E. Spoin, vice president with administrative responsibility for foreign marketing, and **Henry H. Howard**, vice president in charge of the Engine Division, **Caterpillar Tractor Co.**, will retire June 1. **W. J. McBrien**, vice president, succeeds Mr. Spoin and also becomes president of **Caterpillar Americas** and **Caterpillar of Delaware**. Mr. Howard's successor will be **Lee I. Morgan**, manager of sales development, who will also assume administrative responsibility for the Defense Products Department. **E. C. Chapman**, assis-

tant sales development manager, replaces Mr. Morgan.

Kentucky Manufacturing Co., Louisville, Ky., has announced the appointment of **Peerless Equipment, Division of Poor & Company**, as sales agent for Kentucky trailers.

Robert A. Gopel has been appointed director of marketing plans of **Westinghouse Air Brake Co.**

James H. Lyon, senior sales representative, Shippers' Car Line division of **ACF Industries, Inc.**, has been appointed manager of district sales at Chicago. **William M. Burris**, sales representative, Houston office, appointed manager of district sales there.

T. C. Coleman & Son, Louisville, Ky., and the **O. K. Company**, Chicago, have been appointed distributors for **Railway Service and Supply Corp.** in their respective areas for their conditionally approved utility and optimum lubricators.

Two appointments have been announced in the Locomotive Marketing Subsection, Locomotive and Car Equipment Department of **General Electric Co.** **Robert M. Coultas**, manager of transportation sales, East Central region, named manager of domestic locomotive sales. **Robert A. Williamson**, manager of railroad locomotive marketing, has been named manager of export locomotive sales.

T. R. Gale has been appointed manager, utility communications sales of **Graybar Electric Co., Inc.** Mr. Gale will coordinate systems engineering and other requirements connected with the sale of complete microwave communications "packages" by Graybar.

The newly formed **Wolfe Equipment Co.**, Marvin W. Wolfe, president, 818 Olive Street, St. Louis 1, Mo., has been appointed central midwestern manufacturers representative for the "Sealtite" Bolt and "Loktite" Nut division of **Lewis Bolt & Nut Co.**, Minneapolis, Minn.

Fansteel Metallurgical Corp., North Chicago, Ill., has contracted to acquire **Wesson Tool Company**, Detroit.

OBITUARY

Jay L. Hensch, 76, chairman of the board, **Mid-West Forging & Manufacturing Co.**, died April 16 in Hinsdale, Ill.

Industrial Traffic

Edwin F. Mundy, director of traffic, **National Biscuit Co.**, New York, has been elected vice president for traffic.

George A. Larson, traffic manager, **Bunker Hill Co.**, Kellogg, Idaho, has been promoted to the newly created position of sales and traffic manager, Kellogg operations. The promotion fills a vacancy created by the resignation of **E. A. Torney**, general sales manager, who has joined **National Lead Co.**, New York. The latter company has an agreement to purchase virtually the entire metal output from Kellogg operations.

Walter L. Peter has been appointed traffic manager, **Trinity Portland Cement Division**,

General Portland Cement Co., with offices at 1700 Republic National Bank Building, Dallas 1, Tex., succeeding **Fred R. Horton**, who retired April 1.

Harry O. Mathews, general manager, transportation and distribution division, **Armour & Co.**, Chicago, has been elected vice president, transportation and distribution.

George J. Bleibtrey, director of traffic, **Motor Wheel Corp.**, Lansing, Mich., has been appointed director of traffic and transportation.

Ronald L. Willey has been appointed traffic manager of **Pepperidge Farm, Inc.**, Central division, at Downingtown, Pa., effective

April 1. Mr. Willey was formerly traffic manager, **New York Shipbuilding Corp.**, Camden, N.J.

H. D. Musick, traffic manager, **Blue Ridge division, American-Saint Gobain Corp.**, has been appointed traffic manager for all corporate operations.

Ken H. Lute, assistant manager of traffic, transportation and supply department, **Imperial Oil Ltd.**, Toronto, Ont., Canada, has been appointed traffic manager of that department, succeeding **A. E. Morson**, retired.

Loren D. Olsen, traffic supervisor, **Kaiser Gypsum Co.**, Oakland, Calif., has been appointed assistant traffic manager.

FOR IMMEDIATE SALE G. E. 70 TON LOCOMOTIVE BUILT 1956



- 720/660 Horsepower
- Built to G.E. Spec RY24224 E
- Multiple Unit Control
- Very Low Operating Hours
- Locomotive in "As New" Condition
- Located in Pittsburgh, Pa.
- Recently Completely Inspected and Reconditioned Where Necessary by Builder

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HERE'S WHAT TRAFFIC MANAGERS TELL US:

"...aluminum crossmembers
provide faster, safer,
and easier loading."

G. E. Gessner, Consultant
Headquarters Traffic
Westinghouse Electric Corporation

"...we've been recently receiving an occasional car equipped with aluminum crossmembers, and they are 100% better in every way. There is no question that the handling of these aluminum pieces speeds up loading..."

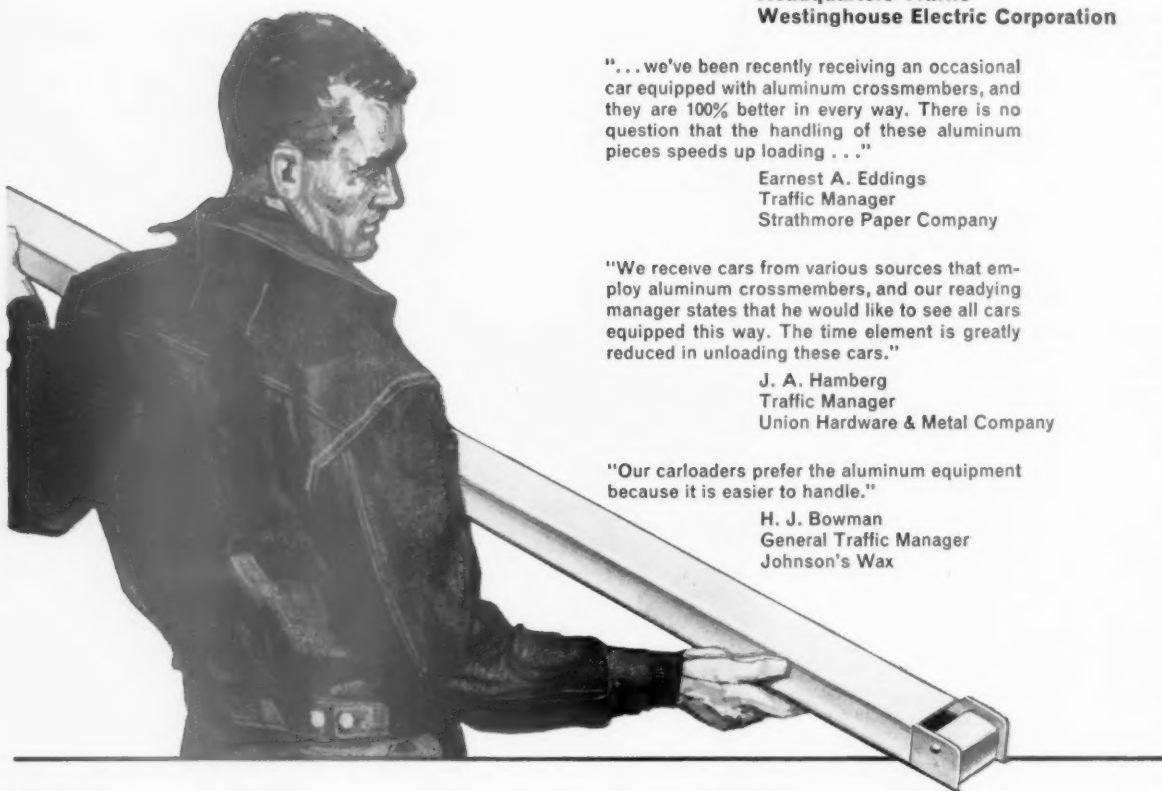
Earnest A. Eddings
Traffic Manager
Strathmore Paper Company

"We receive cars from various sources that employ aluminum crossmembers, and our readying manager states that he would like to see all cars equipped this way. The time element is greatly reduced in unloading these cars."

J. A. Hamberg
Traffic Manager
Union Hardware & Metal Company

"Our carloaders prefer the aluminum equipment because it is easier to handle."

H. J. Bowman
General Traffic Manager
Johnson's Wax



Crossmembers made with Reynolds Aluminum cut loading costs, reduce freight damage

The above statements are from just a few of the many letters we've received from leading traffic managers. These men work in many different industries, but all agree on one basic fact: aluminum crossmembers save time and money—they're preferred by management and freight handlers alike.

With aluminum crossmembers, there are no rust stains on freight, no splinters in hands. They protect both load and loader. Lightweight aluminum crossmembers can be easily, safely, handled by *one man*—yet they are as strong as any crossmember now in use!

Specify cars equipped with aluminum crossmembers. Or, ask your special freight equipment supplier about crossmembers made with Reynolds Aluminum. For complete details on aluminum for any railroad or freight use, contact your local Reynolds office, or write *Reynolds Metals Company, Box 2346-TM, Richmond 18, Virginia.*



Watch Reynolds TV show
"Harrigan & Son",
Fridays—ABC-TV

Market Outlook

Carloadings Rise 3.3% Above Previous Week's

Loadings of revenue freight in the week ended April 15 totaled 522,386 cars, the Association of American Railroads announced on April 20. This was an increase of 16,456 cars, or 3.3%, compared with the previous week; a decrease of 100,277 cars, or 16.1%, compared with the corresponding week last year; and a decrease of 112,462 cars, or 17.7%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended April 8 totaled 505,930 cars; the summary compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, April 8

District	1961	1960	1959
Eastern	74,038	89,750	96,432
Allegheny	79,419	113,178	121,915
Pacahontas	41,257	52,699	51,778
Southern	105,991	117,721	118,207
Northwestern	54,499	67,472	66,337
Central Western	105,317	109,697	114,543
Southwestern	45,409	50,230	50,056
Total Western Districts	205,225	227,399	230,936
Total All Roads	505,930	600,747	619,268
Commodities:			
Grain and grain products	47,690	48,829	47,418
Livestock	3,539	3,930	5,321
Coal	84,597	104,340	103,752
Coke	5,492	10,431	10,901
Forest Products	34,610	38,897	39,520
Ore	13,127	32,340	25,731
Merchandise l.c.l.	29,758	38,650	43,371
Miscellaneous	287,117	323,330	343,254
April 8	505,930	600,747	619,268
April 1	505,917	597,607	590,392
March 25	500,333	601,085	604,392
March 18	506,583	581,494	603,885
March 11	492,582	560,256	596,180
Cumulative total, 14 weeks	6,889,114	8,177,496	8,177,021

PIGGYBACK CARLOADINGS.

—U. S. piggyback loadings for the week ended April 8 totaled 11,503 cars, compared with 10,511 for the corresponding 1960 week. Loadings for 1961 up to April 8 totaled 145,610 cars, compared with 144,944 for the corresponding period of 1960.

IN CANADA.—Carloadings for the ten-day period ended March 31 totaled 85,912 cars, compared with 58,929 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
March 31, 1961	85,912	33,842
March 31, 1960	99,747	43,856
Cumulative Totals		
March 31, 1961	746,387	318,811
March 31, 1960	844,058	385,850

New Equipment

FREIGHT-TRAIN CARS

► **Canadian Pacific.**—Ordered 300 41½-ft. 3,350-cu-ft capacity insulated box cars from Dosco Trenton Works, Trenton, N. S. The 50-ton, steel-sheathed, wood-lined cars can be used in heated service during winter months. (RA, April 17, p. 55.)

► **Santa Fe.**—Ordered 60 2,600-cu-ft capacity Airslide covered hopper cars from General American. Twenty-five cars will be delivered immediately; the remaining 35 are scheduled for delivery beginning in October.

FREIGHT-TRAIN CARS—SPECIAL

► **Bad Order Ratio 2.4% Higher Than Last Year.**—Class I roads on March 1 owned 1,654,099 freight cars, 21,214 less than a year ago, according to AAR report summarized below; bad order ratio was 2.4% higher than on March 1, 1960.

	March 1, 1961	March 1, 1960	Change
Car ownership	1,654,099	1,675,313	-21,214
Waiting repairs	163,591	124,969	+38,622
Repair ratio	9.9%	7.5%	+2.4%

LOCOMOTIVES

► **New York Central.**—Ordered 30 new 2,000-hp general-purpose diesel-electric locomotives at a cost of \$5,360,000—15 from EMD and 15 from Alco. Deliveries will begin in June.

PASSENGER-TRAIN CARS—SPECIAL

► **Chesapeake & Ohio.**—Ordered 12 Railvan units for use in mail service between Detroit and Grand Rapids, Mich. These units, equipped with special wheels for either rail or highway service, supplement eight now in service. Visioneering Co., Cleveland, will build the units for delivery by late June.

Orders & Deliveries

► **Orders Increase.**—Orders were placed in March for 1,796 freight cars, compared with 1,536 in February. March 1960 orders totaled 1,957. Deliveries in March totaled 3,874, compared with 1,958 in February of this year and 5,950 in March 1960. The backlog of cars on order and undelivered as of April 1, 1961, was 15,801, compared with 18,429 on March 1, 1961, and 42,131 on April 1, 1960.

TYPE	ORDERED March, 1961	DELIVERED March, 1961	UNDELIVERED April 1, 1961
Box — Plain	557	947	3,538
Flat	26	33	910
Gondola	0	1,282	2,721
Hopper	550	595	5,348
Cov. Hopper	318	351	806
Refrigerator	0	395	1,250
Tank	312	246	921
Caboose	10	0	210
Other	23	25	97
TOTAL	1,796	3,874	15,801
Car Builders	1,789	2,180	4,278
Railroad Shops	7	1,694	11,523

Where the Money Went

Purchases of Fuel, Material and Supplies Class I Railroads—1960

Item	Amount
FUEL:	
Fuel oil—Diesel	\$ 324,674,000
Fuel oil—Residual	10,419,000
Coal (anthracite and bituminous)	14,086,000
Gasoline	11,298,000
All other (coke, wood, etc.)	4,682,000
Total fuel	365,159,000
FOREST PRODUCTS:	
Cross ties	\$ 51,284,000
Switch ties	5,147,000
Lumber (Bridge and building, piling, posts, bridge ties)	14,609,000
Lumber, equipment (incl. manufactured articles)	19,711,000
All other forest products	5,802,000
Total forest products	96,553,000
IRON AND STEEL PRODUCTS:	
Rail (new and secondhand, except scrap)	\$ 55,477,000
Axles, tires and wheels for cars and locomotives	76,190,000
Track and switch material	67,045,000
Steel bridges, turntables, sheet piling	4,522,000
Iron and steel (bars, shapes, sheet, flues and tubing, chain and wire netting)	35,441,000
Locomotive forgings and castings (gray iron, malleable or steel, and trucks)	10,491,000
Car forgings and castings (gray iron, malleable or steel, brake beams, couplers, draft gears, metal car roofs, auto loaders and trucks)	118,779,000
Bolts, nuts, washers, rivets, lag screws, pins and studs	7,492,000
Springs, elliptical and helical, for cars and	

locomotives	4,853,000
Tools, track and roadway, all kinds, and parts (except automotive equipment, aircraft, and parts)	10,025,000
Machinery and parts	20,252,000
Pipe, iron and steel, pipe fittings, and plumbing fixtures	8,139,000
Hardware, hand and small machine tools	19,639,000
All other iron and steel products (including cast iron water pipe and culvert pipe)	7,704,000
Total iron and steel products	446,049,000

MISCELLANEOUS:

Building materials (brick, cement, gravel, lime, sand, stone, roofing, siding, and fencing) ..	\$ 8,503,000
Illuminating oils, lubricating oils and greases, journal lubricating pads, wiping rags and waste	58,819,000
Non-ferrous metal and products	28,523,000
Ballast and riprap	16,974,000
Electrical materials (including electrical material for diesel locomotives)	49,810,000
Stationery, printing and office supplies	33,015,000
Commissary equipment and supplies	22,802,000
Rubber and leather goods	7,490,000
Chemicals, compounds, drugs, glass, laboratory, equipment, lacquers, painters' supplies, paints, varnishes	39,439,000
Passenger car trimmings	9,022,000
Locomotive, train and station supplies	26,150,000
Communication and signal material	61,533,000
Air brake material	21,513,000
Appliances for locomotives	6,007,000
Automotive equipment and aircraft, and parts ..	14,776,000
Diesel material not elsewhere classified	106,176,000
All other miscellaneous	44,932,000
Total miscellaneous	555,494,000
Grand Total	\$1,463,245,000

Source: Reports of the carriers to the Bureau of Railway Economics.

RR Administrative Agency Proposed

As a means of putting the railroads on a parity with other forms of transportation—to secure equal consideration of all of them by government—Chairman A. L. M. Wiggins of the Atlantic Coast Line and the Louisville & Nashville is advocating the transfer of all governmental administrative functions related to railroads, to an administrative agency in the Department of Commerce.

Mr. Wiggins made this proposal in an address to the Columbia (S.C.) Traffic Club on April 11.

Specifically, he recommended, "(1) that the laws affecting transportation be revised into a single transportation code with the same basic privileges, regulations and restrictions applicable to all forms of transportation; (2) that the non-judicial functions of the Interstate Commerce Commission be transferred to a newly created railroad administrative agency to be set up in the Department of Commerce and given additional powers and duties of promoting sound programs for the operation of the railroad industry; (3) that other executive agencies dealing with transportation with certain exceptions, that are not now in the Department of Commerce,

be transferred to that department; (4) that the present Department of Commerce be expanded to become the Department of Commerce and Transportation so as to bring transportation under the direct control and responsibility of a cabinet officer. At present some of these agencies are in the Department of Commerce under the direction of the undersecretary for transportation.

"Under this proposal, Congress would set up and define a National Transportation Policy under which all forms of transportation would be co-ordinated, for the most effective use of all transportation resources, with equality of treatment for all and with single yardstick of public necessity, convenience and service. Under this plan, the railroads would receive the same consideration by the executive branch of government as other forms of transportation and with equalization of competitive position.

"Half-way measures will not save the railroad industry. There must be a complete basic revision of the transportation policy by the federal government that will give the railroads equality of treatment if they are to survive as private enterprises."

Mr. Wiggins went on to say that railroads are doing everything they can to raise the money needed to keep their facilities up-to-date, but "it makes little sense for railroad management to borrow money at interest rates of 4% to 6% when for several years the average return on the total railroad investment is not more than 2½% per annum."

"In my opinion, the nationalization of the railroads in this country under government ownership is inevitable unless the shackles that prevent their effective operation are removed. The nationalization of the railroads would be a major calamity to our private enterprise system and would constitute a leap into socialism for our entire economy," Mr. Wiggins said.

"I cannot believe that the American people will permit such a catastrophe when it is neither necessary nor inevitable if proper steps are taken. The formula is simple. The only requirement is that every form of transportation receive equality of treatment by government—federal, state and local—and that users of transportation pay for all transportation services without benefit of tax exemption or subsidies by government."

New Container System Tested

A new rail-highway container system, said to be sufficiently low in cost to warrant use even in small communities, has reached the testing stage in Canada.

Developed by Steadman Industries, Ltd., Toronto, this new system consists of three elements: containers in 20-ft multiples; a "see-saw" rocker beam that can be mounted on a standard truck chassis in minutes, and a turntable device for use on flat cars. Cars may be equipped with two or three turntables, depending on car length.

Containers are side-loaded for rail movement, and, once in position, are locked to the car frame. A steel plate is used to reinforce the container door area, making the boxes almost pilfer-proof.

W. J. Steadman, designer of the system, says his firm's approach to containerization will expedite interchange between carriers. The present containers (see photos) can be handled by highway or railroad, and while exact figures have not been revealed, the Steadco system is said to cost much less than anything presently available—sufficiently so, in fact, to justify installation at isolated or low-volume points.

Mr. Steadman reports that expressions of interest in the new system have come from several foreign countries; and sales organizations are now being set up in both Canada and the U.S.

The designer describes a typical rail-highway operation of the system as follows:

The truck is backed into position at right angle to the flat car. The power take-off is used to activate the rocker beam mounted on the truck chassis. Small hydraulic cylinders power the up-and-down see-saw motion of the beam. Thus the rocker can tilt the rear of a container higher or lower to align it with the turntable located in the car floor. Guide rails on the turntable aid in centering the container for loading.

Once the container unit is aligned and centered it is hydraulically pushed onto the turntable and locked. This pushing action—or pulling, in the case of unloading—is provided by a short metal arm, or ram, powered by another hydraulic cylinder. The cylinder is mounted horizontally on the truck chassis, independent of the rocker beam. The ram, with 20 in. travel, engages a channel in the floor of the container. By simply reversing the ram head, the device will either push or pull. In short, it operates similar to a conventional automobile jack.

When the container is on the flat car,



CORNER LEGS are lowered to store container and free truck for other duty.



CONTAINER is tilted by rocker beam on truck chassis, then pushed aboard car hydraulically. Cars are equipped with turntables.

it is swung lengthwise and locked in place. According to Mr. Steadman, the entire loading operation can be completed in less than five minutes. Unloading, with the loading procedure reversed, can be handled in equal time.

The rocker beam, as well as the turntable equipment on the flat car, will handle either a standard rectangular box or tank equipment for liquid commodities, Mr. Steadman says. He mentions, also, that the 20-ft box units can be coupled to make a 40-ft unit, although he believes the use of the separate smaller units is desirable. Tests have

indicated the smaller units, aside from their versatility, also help reduce stress on the container equipment, and result in less chance of lading damage.

The 20-ft containers, which are presently being tested by a trucking firm in Canada, have metal legs at each corner. These can be lowered to the ground and provide support for the container, thereby freeing the highway vehicle for other service during loading, unloading or temporary delays.

According to Mr. Steadman, the Canadian National is studying the new system for possible use in TOFC service.

Concrete Cure for Cold War

A happy ending to the cold war and at the same time the economic recession would seem unachievable. A proposal has come forth, however. It is not from a Washington statesman or a Department of Commerce economist. It's from Bob Smith, account supervisor at a Pittsburgh Advertising Agency. Look how easy Bob makes it:

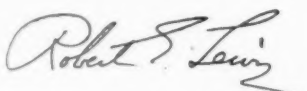
First, we make an outright gift of one million automobiles per year to the people of the USSR: no strings attached. The Russkies select their models, color and all, and send in their orders. They could pick them up, or we could busy our own merchant marine delivering them. The cost to our Government, Bob estimates, would be but a fraction of our present defense spending. The Russians would then be so busy building highways, designing clover leaves and jug handles, building service stations, parking lots, refining petroleum, and policing traffic, that

they would have little time for other energies. Naturally the million-car orders superimposed on present levels would cure the economic ills of the automotive and related industries here. Our defense spending could be pared to true "peace-time" levels.

Big secret to success is not to make it a one shot venture. To tame the Bear we would have to keep a million cars going over year after year.

Naturally Bob shares our hope that these million cars would be piggy-backed to coastal ports so that the railroads could share in the fun.

Bob Smith has his tongue in his cheek, of course. But then I don't know; there might be more truth to this jest than one would suppose.



PUBLISHER

RRs Rescue April-Snow Victims

Several hundred weary motorists, marooned by a sudden spring blizzard that left highways drifted shut, found refuge on the railroad last week in northern Illinois and Indiana. Illinois Central was stopping through trains at hamlets, and even at filling stations along paralleling highways, to pick up stranded travelers who found out that getting there (by auto) wasn't really half the fun this time around. Monon performed similar pickup service in Indiana.

IC said the state police asked for the railroad's help—and IC quickly pitched in. The "Green Diamond" made three unscheduled stops south of Chicago; the "Creole" picked up 150 people at a small resort town; a New York Central train (operating via IC track) got so many extra passengers between Kankakee and Richton, Ill., that the conductor couldn't collect all his fares. The "City of New Orleans" added three extra coaches and picked up 126 motorists, 60 of them from filling stations at and near Monee, Ill.; the "Louisiane" added four extra cars and made a number of extra stops northbound. And on Monday morning, after the worst was over, the northbound "Seminole" was still operating like a commuter train, making unscheduled stops from Gilman to Richton.

Over in Indiana, Monon dispatched a crew and several cabooses from

Monon, Ind., after police got word of motorists stranded along U.S. 421, which parallels the railroad. Monon's mercy train picked up about 20 people north of Monon, then ran south and rescued another 25. Meanwhile, the road was alerted to reports of a bus stalled with passengers aboard and a freight train southbound from Michigan City, Ind., got instructions by radio to give assistance. The train and a highway bulldozer arrived at about the same time, but the crew held the train at the scene until the 'dozer had freed the snow-bound bus.

Pallet Containers Cut Apple Shipment Costs

On several test shipments of apples from the state of Washington to Minneapolis, Minn., using pallet containers in place of conventional 40-lb tray-pack boxes, the United States Department of Agriculture found that total savings of over \$400 per car were possible.

Results were announced by the USDA at a three-day conference at Purdue University, jointly sponsored by the AAR, American Railway Development Association, and Purdue. Edward Jones, agricultural agent of the Illinois Central, was chairman.

Outlining the department's research into the use of pallet containers for fruits and vegetables, Philip L. Breaki-

ron, transportation economist, USDA, told the 15th National Conference on Handling Perishable Agricultural Commodities. "When pallet containers were used, only 1.6 man-hours were required to load, unload and dump 36,700 lb of apples onto the packing line. To handle the same amount of fruit in conventional 40-lb tray-pack boxes required 11.3 man-hours."

Mr. Breakiron said that as a result of the USDA research program it has been found that the load density effected by the use of pallet containers was one of their most important advantages. "The additional weight of the fruit in 54 pallet containers shipped by rail under an incentive rate for heavier loading effected a saving of \$80 per car in freight costs," he said.

Containers used in the USDA tests were designed with basal dimensions of 42 by 47 in. for use in either rail or truck shipments. Inside depth was 20 in. and when equipped with a four-way entry pallet the containers were 26 in. high. Both expendable and non-expendable containers were used.

Mr. Breakiron said that with proper installation and inflation of inflatable dunnage "transportation damage was all but eliminated from the rail shipment. Most of the damage to the pallet containers resulted from mishandling them or from using lift trucks on which forks were not long enough to properly support the containers."

Future research by the Department of Agriculture will center around the use of proper strapping to secure the containers, elimination of bulging or distortion, the feasibility of eliminating the pallet base and studies of the comparative advantages of multi-cell and single-cell containers.

Robert F. McKee, chief engineer, Pacific Fruit Express Co., said that PFE is equipping 1,000 of its refrigerator cars with the new Ice-Tempco system at the rate of six cars a day. "The advent of the Ice-Tempco system," he said, "provides an opportunity to give the fresh perishable shipper the kind of protective service in an ice bunker car he needs to compete in the present market."

Mr. McKee told the conference that future refrigerator car improvements will include increased loading heights and widths, more efficient insulation and the use of simplified mechanical equipment for protective service.

He said that shippers are being provided with the most modern and efficient refrigeration equipment and that "through greater understanding of the operation and limitations of such equipment and closer cooperation in its proper application, will come reduced losses and increased success in handling of perishable commodities."

tremely difficult debt problems.

C&O-B&O, Mr. Clarke said, "would be a union for strength and growth, not for mere survival."

By all customary standards, he added, "C&O operates at highly efficient levels. B&O, on the other hand, because urgent debt problems have taken priority of its financial resources, has not been able to channel funds into cost-saving property improvements. Its poor profit margins have been the result of inadequate finances more than any other single factor. It is for this very reason that amalgamation of B&O and C&O is so natural. The combination of C&O's financial resources with B&O's potential for cost reduction presents a tremendous opportunity for all concerned, and that includes labor."

The public interest, he concluded, "will be most outstandingly served by this unification. And it would bring to the railroad industry in the East a new vitality that has been lacking for many, many years."

Vitality in another field—rate-making—was stressed by Soo Line Vice President Thorfinnson, in a thoroughgoing discussion of incentive rates.

Thousands of rate reductions have been made in the past two years, he noted, in efforts to recapture traffic diverted to other forms of carriage. But "it's obvious that, in an industry where very few railroad companies are able to operate in the black, we cannot afford to make substantial reductions in our prices unless we have reasonable assurance that the price reductions will result in increasing the total volume of our business to such a degree that we will actually increase the revenues received in excess of out-of-pocket costs."

Rate Types Listed

The volume and incentive rate, he said, "becomes particularly significant in achieving our objective of maximizing the contribution that our traffic makes to the overhead burden of operating our physical plant." These seven types of rate are in use on U. S. roads:

- Single carload alternative incentive rates predicated on varying minimum weights.
- Single carload discount rates.
- Single carload per-car rates.
- Multiple car and volume rates.
- Annual volume rates.
- Guaranteed rates.
- Agreed charges (to the extent that U. S. roads are parties to agreed charges applying on transcontinental movement of Canadian freight).

No one type of incentive rate "provides the answer to our competitive problem," he warned, but "every situation should be analyzed carefully. A rate adjustment proposed should be one suited to the competitive conditions that exist." On the Soo Line, he added, "we are currently trying to combine incentive rates in our adjustments . . . so as to realize the full benefit and contribution that can be made through each type."

Railroad executives, Mr. Thorfinnson concluded, "must be flexible in their pricing methods in order to provide every possible tool to increase traffic volume and net revenue. Where the use of incentive rates can permit economies in operation and can increase available facilities, we should be aggressively seeking the establishment of these rates—even though the traffic is presently moving by railroad."

Frisco's Mr. Gilliland reviewed in detail his road's action in establishing joint rail-truck rates for movement of setup automobiles, first in piggyback service and later in multi-level rail car

service. Initially, he noted, the National Automobile Transporters Association filed a petition for suspension of auto-piggyback rates—but both the association's cost study and Frisco's showed that the proposed rates produced compensatory revenues (even though the association study used incorrect mileages and overstated certain cost figures). Furthermore, Mr. Gilliland pointed out, the rates "involved no new principles and were a step in the direction of cooperation by two old competitors to coordinate their services so as to preserve the 'inherent advantages' of each and to produce a lower rate for the shipper. I submit that the Commission very properly refused to suspend and that it thereby fostered a new development in transportation."

What about the tri- and bi-level rates that followed? "There has not been a single petition for suspension filed against any of [these] rates. While it is impossible to state exactly why no such petitions were filed, we feel that their absence is at least indicative that there was no unlawfulness and the rates were fully compensatory to the railroad."

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You Ought To Know...

From a supplier's viewpoint, railroad mergers and consolidations are "good, healthy, long-range programs," Alco Chairman P. T. Egbert told shareholders last week. He conceded that merger moves are having "short-term disconcerting effects" in the supply trade while railroads "digest their moves and assess their requirement." But he expressed confidence that mergers would provide "not only the basis for higher demands for new locomotives in the years hence, but also . . . sound financial means for accomplishing programs to upgrade and modernize the already aging diesel locomotive fleets."

A special conference on training problems encountered in railroad operation will be held at the Sylvania Hotel, Philadelphia, on May 1, in conjunction with the annual conference of the American Society of Training Directors. C. J. Prange, director, personnel development, REA Express, is chairman of the special railroad session. Subjects docketed for discussion include apprentice training, training of classified employees, sales training and supervisory development.

Journal lubricator equipped freight cars were 65.3% of total ownership as of Jan. 1, 1961, up 9.1% over June 30, 1960, figures. Cars so equipped included 1,206,096 of 1,844,146 railroad owned cars or 65.4% and 176,825 of 272,242 privately owned cars, 64.9%.

Hotbox data just released shows 6,181 cars set off in January 1961 between division terminals because of hotboxes. Of these, 2,298 were on pad-equipped cars, 3,883 on waste- and other-equipped cars. Pad-equipped cars, about two-thirds of total ownership, had only 37.2% of hotboxes reported. Mileage per hotbox in January was 378,508.

Cedric A. Major, president of the Lehigh Valley, has announced that he will retire as soon as possible after the ICC acts on the Pennsylvania's application to acquire all LV stock. Mr. Major, noting that he is already past the normal retirement age of 65, made the announcement as he accepted reelection to the presidency at the road's annual meeting in Bethlehem, Pa.

"Make-work" legislation has been introduced in the Pennsylvania Legislature because the operating brotherhoods are "evidently afraid to await the outcome" of the Presidential Commission now studying railroad working rules, PRR President A. J. Greenough asserted last week. The pending legislation would force railroads to add "unnecessary" flagmen on all passenger and freight trains and "even locomotives moving without cars," Mr. Greenough said.

Abandonment of the entire line of the 8.28-mile Columbia & Millstadt, in Monroe and St. Clair Counties, Ill., has been authorized by the ICC.

Petroleum shippers were asked last week to support the railroads' "Magna Carta for Transportation." David I. Mackie, chairman of the Eastern Railroad Presidents Conference, told the National Petroleum Association that "quite often during the past decade a number of petroleum companies have donated money to a trucking foundation which uses the funds to run advertisements in national magazines that cloud basic transportation issues. If for-hire transportation is to survive to serve, we need light, not cloudiness, in refining transportation policy."

Twelve railroads have won the Special Citation of the U.S. Public Health Service for "maintaining a consistently high standard of excellence in sanitation" in 1960. The winners: Milwaukee, Rio Grande, Erie-Lackawanna, Fort Worth & Denver, Great Northern, Illinois Central, New York Central, Norfolk & Western, Northern Pacific, Texas & New Orleans, Texas & Pacific, Union Pacific. A Letter of Commendation was awarded to the Katy.

Sharply reduced rates on lumber from Wisconsin and upper Michigan mills were placed in effect April 10 by railroads serving the area. Chicago & North Western, which proposed the cuts, said reductions of 36% or more will be applied to destinations within a radius of 75 miles from mills. Incentive rates for heavier loading offer reductions of 44% or more to destinations up to 150 miles from mills. Rates (also covering related commodities such as piling, poles and posts) apply between stations in Wisconsin and Michigan and to destinations in northern Illinois.

Committee on Commerce is the new name of the Senate committee which handles transport legislation. It was changed from Committee on Interstate and Foreign Commerce by Senate resolution. The resolution was sponsored by the committee's chairman, Senator Magnuson of Washington.

Crew-consist issue was the subject of further hearing in the "featherbedding" case last week. Appearing before the Presidential Railroad Commission were Hugh Greer of the staff of Howard Neitzert, chief management counsel; M. A. McIntyre, assistant general manager — Southern Pacific; and O. G. Dellacanonica, chief engineer — International Division, American Locomotive Co. They were preceded by Economist E. L. Oliver who returned to round out the presentation he made early this month for the "op" unions.

A 5.6% decrease in carloadings is predicted for the second quarter of 1961 as compared with the corresponding 1960 period. The forecast of the National Association of Shippers Advisory Boards covers 32 commodities.

Six passengers were killed and 312 injured in train and train-service accidents in February, according to the ICC's preliminary report. Seventeen employees on duty were killed and 1,629 were injured.

Publication of Texas & Pacific Company magazine, "Topics," has been suspended indefinitely, effective with the March-April issue.

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It Is Up to The Shippers

It is only the shippers—the patrons of the transportation business—who, in all likelihood, can prevent the further deterioration of the reliability and economy of transportation service, and of the railroads in particular.

A quick review of the salient facts will establish the accuracy and urgency of this observation.

In 1958 the railroads presented their needs for more equitable treatment to Congress—and their representations were, on the whole, favorably received. Yet the only resulting relaxation in the rigid regulatory network in which the railroads are enmeshed was (1) some easing in the restrictions on pulling off unprofitable passenger trains; and (2) what was at the time believed to be a grant of greater freedom in making competitive freight rates. (Recent ICC decisions of the "umbrella" variety raise some question as to just how much rate-making freedom the railroads actually do have under the new 1958 rate-making rule.)

1958 ACT FALLS SHORT

In any event, whatever relaxation in the conditions of their servitude that may have been accorded to the railroads by the 1958 legislation—the cold figures of tonnage and earnings demonstrate that the relief provided was insufficient. The railroads' proportion of total ton-miles has continued to decline—it was less than 45% in 1959. The railroads have *not* been accorded anything even remotely approaching equal conditions of competition with other modes of transportation. The inevitable conclusion from the figures is that the railroad position will deteriorate further unless the industry's regulatory and fiscal bonds are further loosened. Some railroads are perilously close to insolvency already—and too few of them have the earnings necessary to assure continuing modernization of their service.

MAGNA CARTA'S CHANCES

What are the chances that these railroad fetters are going to be loosened? The AAR has come forward with its "Magna Carta," calling for "four freedoms" (i.e., (1) from discriminatory regulation, (2) from discriminatory taxation, (3) from subsidized competition; plus (4) the right to provide service by other transportation modes).

Spelling out these proposals in the form of specific legislation would produce quite a bundle of bills—some of them not exactly non-controversial, either. As matters now stand, would anyone confidently predict that Congress is ready to go ahead, in 1961, with some such program as—

(1) levying compensatory tolls for the use of inland waterways;

(2) exacting fully compensatory fees for commercial use of highways;

(3) repealing all "exemptions" in truck and barge regulation (or permitting the railroads to compete with exempt carriers on equal terms);

(4) repealing the passenger excise tax;

(5) giving states fiscal incentives to exempt railroad property from taxation (as highway, waterway and air transport facilities are exempt);

(6) allowing railroads to provide transportation by other modes;

(7) according railroads complete freedom in rate-making, so long as proposed rates are not lower than direct costs and are not arbitrarily discriminatory?

While some part of this program may be enacted this year—if the railroads present their case with vigor and persuasiveness—the auspices are a long way from being wholly favorable, as yet, anyhow.

PRESSURE GROUP DICTATION?

Far from acquiescing in further freedom in rate-making for the railroads, Teamster Chieftain James Hoffa has indicated his displeasure with the existing rate-making rule, as the ICC has interpreted it. The waterway operators have joined Mr. Hoffa (strange bedfellows) in their support of further restrictive legislation on railroad rate-making. The railroads cannot survive further restrictions. They are not surviving under the restrictions they already have.

Political dealing with transportation on a national scale, so far, is not being directed from the viewpoint of the national interest. Instead, the confused and contradictory policies that transportation is trying to live under are the crude resultants of pressure-group politics. National policy in such a vital area ought not to be resolved in accordance with the number of letters legislators receive from Mr. Hoffa's well-drilled members, or from the selfish clamor of the established water carriers.

No one transportation interest has a right to have a question resolved to its own prescription. The shippers and receivers of freight (and their customers) are those whose interests should have primary consideration. Most shippers know who and what is right and wrong in this area.

The customers of the transportation industry—and only they—have got the countervailing power to lend support to the patriotic stamina of legislators. They need this support to enable them to solve this problem in the light of the facts and by the guidance of their consciences—ignoring the pressure groups.

We hope and believe that the shipping fraternity will rise to the occasion. It is worthy of their sacrificial best.

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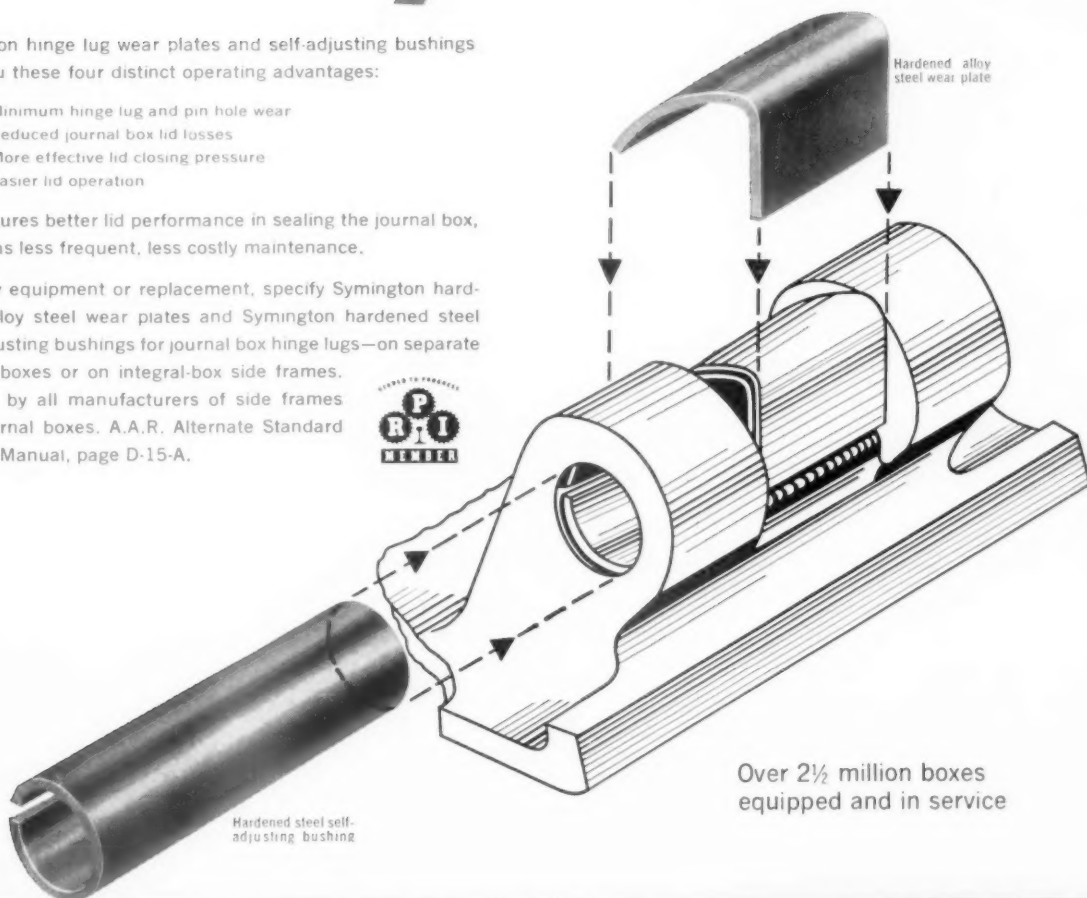
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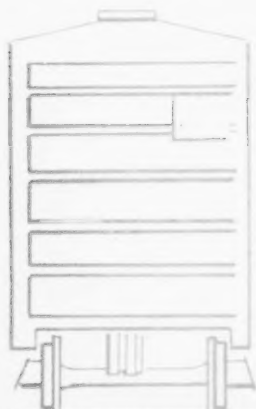
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